CITY OF SANTA BARBARA
COMMUNITY DEVELOPMENT DEPARTMENT
DRAFT NEGATIVE DECLARATION – MST2008-00574

Pursuant to the State of California Public Resources Code and the "Guidelines for Implementation of the California Environmental Quality Act of 1970," as amended to date, this Draft Mitigated Negative Declaration has been prepared for the following project:

PROJECT LOCATION: City of Santa Barbara - Citywide

PROJECT PROPONENT: Housing and Redevelopment Division, Community Development Department, City of Santa Barbara

PROJECT DESCRIPTION: Amend the Inclusionary Housing Ordinance (IHO) that already applies to projects with 10 or more units, to apply to projects with from two to nine units. An in-lieu fee of $17,700 per market rate unit included in the project (payable prior to occupancy for two through four units), would be charged when an affordable unit would not be provided as part of the project. The ordinance would also state that where one to four new units are proposed the first unit would not be required to pay the in-lieu fee. The maximum sale prices of inclusionary units in employer-sponsored housing projects would be increased substantially, provided that all of the units in the project are priced at below-market restricted prices. The in-lieu fee could be used for purchasing and reselling of existing middle and upper middle income housing, subsidizing the creation of middle and upper middle income housing, and ensuring compliance with middle and upper middle income housing policies and procedures. Approval of the proposed amendment to the IHO itself would have no direct adverse impacts on the environment because it is a change in the requirements for exactions when projects including from two to nine units are approved.

NEGATIVE DECLARATION FINDING:
Based on the attached Initial Study prepared for the proposed project, it has been determined that the proposed project will not have a significant effect on the environment.

Environmental Analyst

2/13/2009
Date

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CITY OF SANTA BARBARA
COMMUNITY DEVELOPMENT DEPARTMENT, PLANNING DIVISION

INITIAL STUDY/ ENVIRONMENTAL CHECKLIST MST2008-00574

PROJECT: INCLUSIONARY HOUSING ORDINANCE AMENDEMENT

February 13, 2009

This Initial Study has been completed for the project described below because the project is subject to review under the California Environmental Quality Act (CEQA) and was determined not to be exempt from the requirement for the preparation of an environmental document. The information, analysis and conclusions contained in this Initial Study are the basis for deciding whether a Negative Declaration (ND) is to be prepared or if preparation of an Environmental Impact Report (EIR) is required to further analyze impacts. Additionally, if preparation of an EIR is required, the Initial Study is used to focus the EIR on the effects determined to be potentially significant.

APPLICANT/ PROPERTY OWNER

Applicant: City of Santa Barbara, Housing and Redevelopment Division, Community Development Department

Applicant Representatives: Steven Faulstich, Housing Programs Supervisor

Owner: Various (to be determined when projects are proposed and funded)

PROJECT ADDRESS/LOCATION

Citywide

PROJECT DESCRIPTION (See *Exhibit A-Ordinance Amendment for further details*)

Proposed Ordinance Changes

The proposed project would amend the existing City of Santa Barbara Inclusionary Housing Ordinance (IHO) (SBMC Chapter 28.43) as follows:

- The ordinance would now also apply to projects with from two to nine units. (It already applies to projects with 10 or more units.)
- The in-lieu fees (charged when an affordable unit is not provided as part of the project) would now be calculated based on "moderate income" resulting in an inclusionary fee of $354,300 per inclusionary unit. This fee would be pro-rated (5%) for fractions of a required unit so that for projects of from two to nine units the fee would be $17,700 per market rate unit included in the project. The ordinance would also state that where one to four new units are proposed the first unit would not be required to pay the in-lieu fee.
- For projects of two through four units the in-lieu fee would be payable prior to occupancy.
- Permissible uses of the in-lieu fees provided in Section 28.43.130 would be expanded to include:
    - Purchasing and reselling of existing middle and upper middle income housing.
    - Subsidizing the creation of middle and upper middle income housing.
    - Ensuring compliance with middle and upper middle income housing policies and procedures.
- The allowed maximum sale prices of inclusionary units in employer-sponsored housing projects would be increased substantially, provided that all of the units in the project are priced at below-market restricted prices.

Estimated Revenues

Over the past 10 years, the average number of units per annum that would have been subject to in-lieu fees was 28.9. Given the proposed in-lieu fee of $17,700 per unit, this would result in an annual revenue stream of $511,530. City Housing Programs staff estimates that about 25% of this amount would be needed for the costs of administering the IHO and for monitoring and enforcing compliance with the City's middle income housing restrictions on inclusionary units. After deducting these administrative costs, approximately $384,000 would remain for subsidizing new or existing affordable housing units. The amount of the in-lieu fee, $354,000, is set at the estimated amount of funding it would take to "buy-down" the cost of an existing or newly constructed unit to a price that would be affordable to a moderate-income household according to the City's affordability policies. With $354,000 needed per unit, and $384,000 available each

year, this means that the in-lieu fees generated by the proposed changes to the IHO would be sufficient to fund 1.08 affordable units per year.

The pace of new construction was greater over the last six years than in the preceding four years of the ten year study period. In the current economic environment it is anticipated that this more rapid pace will cool considerably in the next few years. However, in order to anticipate a "worst-case" scenario in terms of the amount of in-lieu fees that might be collected each year, the calculations described in the preceding paragraph were also completed based on these higher annual averages over the past six years. Using the past six years, the in-lieu fees generated by the proposed changes to the IHO would be sufficient to fund 1.52 affordable units per year. In order to provide a reasonable worst case scenario this Initial Study assumes that the project would fund up to three affordable residential units every other year. For the long term period of over 20 years it is assumed in this analysis that the project could fund a total of 30 residential units.

Assumptions

Developers of projects with 2-9 units could choose to make one of the proposed units an affordable unit, instead of paying the in-lieu fee. This would be more likely to occur when a higher number of units (i.e. 8 or 9) in the range are proposed because the in-lieu fee would be highest for these projects. However, it is unlikely that any developer would choose this approach. Building the affordable unit would not be a cost effective approach for the developer. According to the formula in the Inclusionary Housing Ordinance the development cost of a two bedroom unit is $552,000. The maximum sales price of an affordable inclusionary unit would be $250,000. Thus, the developer would lose $302,000 by designating one of the units as an affordable unit. Paying the in-lieu fee in a 9-unit project would cost $159,300 (9x$17,700). Thus, the developer would save $142,300 by paying the in-lieu fee rather than designating on of the units as an affordable unit. It is important to note that the proposed revisions do not provide a right to a density bonus for projects of fewer than 10 units.

Affordable housing projects are most likely to occur in the residential and commercial mixed use land use designations and zoning classifications that allow higher density than the single family areas in the City. These areas are centered in the downtown core and the Westside, Eastside, Oak Park, Upper East Side, and Upper State Street areas of the City.

According to Housing and Redevelopment Staff the approach to spending the in-lieu fees that would be collected is that all in-lieu fees would be used within 2 years of collection by the City. As a consequence the units constructed every couple of years are unlikely to be constructed at the same site but would instead be distributed in different areas as opportunities arise to acquire and develop affordable housing sites. It is not known where the 30 residential units that would be constructed over a 20 year period may be located and it is likely they would not all be in the same location. Since the funding derived from in-lieu fees is likely to be used within two years of collection, this would provide sufficient funding for about three units, and the three units funded about every two years would probably be located in different parts of the City.

Although the location of the development (up to three units every other year) is unknown at this time, the amount of development proposed is very small in relation to the amount of development that currently occurs within the City of Santa Barbara. The additional three units that could be constructed with funding from the IHO in-lieu fee would be approximately 7.5% of the average number of units constructed in the City of Santa Barbara (in the years from 2002-2007) where from 2-9 units are in the project. The total number of residential units constructed in the City of Santa Barbara from 1990 to 2007 (that is 1,232 with certificates of occupancy and 429 with building permits) provide an average combined total of approximately 98 residential units per annum. Of the 1661 units, 304 units would be in single family zones. The three units that could be constructed using in-lieu funding every two years would be approximately 4% of all residential construction and approximately 3% of multifamily construction in the City annually.

Required Reviews

All of the development that would occur using the in-lieu fee would be subject to some form of discretionary review. The level of environmental review required would be determined on a case by case basis depending on the nature of the proposal and the physical circumstances that exist at the time and place the proposal is made.

First, projects would be screened using site specific environmental resource data in the Master Environmental Assessment. Some projects may not include sites with sensitive environmental resources or environmental hazards. These projects would be reviewed but may not result in sufficient impacts to warrant further environmental review. In these cases a Notice of Exemption would be prepared and the project would be subject to standard conditions of approval, existing building codes, and ordinance requirements that would ensure that impacts of these projects are less than significant.

Second, the initial screening could identify some projects that would be located on sites with environmental hazards and constraints or the project itself may result in potentially significant impacts that would cause the preparation of an Initial

Study. The Initial Study would determine if the project impacts would be less than significant or would require mitigation measures to address potentially significant impacts identified. The Initial Study would be circulated for public review and comment that would be addressed in a response to comments. If the Initial Study determines that mitigation is not required a Negative Declaration would be adopted by the decision making body. If the Initial Study determines that mitigation is required a Mitigated Negative Declaration would be adopted by the decision making body. When initial studies are prepared mitigation measures could also be recommended to further reduce less than significant impacts. Also, standard conditions of approval, existing building codes, and ordinance requirements would be applied that would ensure that impacts of these projects are less than significant.

Third, if the Initial Study concludes that the project impacts cannot be avoided or reduced to a less that significant level by any mitigation measures preparation of an Environmental Impact Report (EIR) would be required. A notice that the EIR is being prepared soliciting comments on the scope of the EIR would be circulated, and a Draft EIR would be prepared and circulated for public comments that would be responded to in a Final EIR. If a Final EIR were to to determine that no feasible mitigation measures could avoid or reduce any significant impact, a Statement of Fact and Overriding Considerations would be made by the decision-making body and the EIR would be certified. It is highly unlikely that an affordable housing project would be proposed that would require preparation of an EIR. This is because, by definition, affordable housing is constructed with limited funds. The cost of preparing an EIR and the uncertainty involved in the process raises the cost and risks associated with constructing the small amounts of construction anticipated due to the IHO amendment to prohibitive levels. Most likely the approach to housing constructed with IHO in-lieu fees would take the path of least resistance and result in construction where environmental impacts cause the lower levels of environmental review.

Projects funded by project in-lieu fees would also be subjected to reviews by the Planning Commission, Staff Hearing Officer, and Architectural Board of Review or Historic Landmarks Commission. Reviews by these bodies would also help to ensure project consistency with existing policies, improve neighborhood compatibility, and further reduce project impacts on aesthetics and historic resources.

ENVIRONMENTAL SETTING

This section generally describes the environmental setting of the entire City of Santa Barbara but development is more likely to occur in the downtown and adjacent areas and along Upper State Street. More specific setting data may be provided in the impact sections that follow.

Land Use:

Santa Barbara is a mature city, and not much vacant land remains for residential or nonresidential development. Most of the residentially zoned vacant land that remains is on steep slopes and is unsuitable for the density required to provide Affordable housing. The City is concentrating on infill techniques to provide housing within the City. In addition, the City is investigating annexations of vacant land from the unincorporated areas of Santa Barbara County, mixed use incentives and higher density residential in the downtown area.

According to the City 2004 Housing Element there are over 5,000 affordable housing units in the City of Santa Barbara, of which about 3,750 or 75% are affordable rental housing units. Nearly 2,000 of these affordable rental housing units involve federal rental housing subsidies (see Section 8 Program below). The remaining affordable rental housing units were subsidized with public funds (federal, state and local) that the City administers (see City of Santa Barbara's Affordable Housing Program below). With direct financial assistance from the US Department of Housing and Urban Development (HUD), the City's Housing Authority has constructed and now owns and manages nearly 500 units in the form of public housing for low and very low-income households. These affordable public housing units are strictly controlled by HUD and are not considered to be at risk of being sold or converted to market rate housing.

Except for the public housing and other Housing Authority units, the City does not own any affordable housing units. In return for the financial assistance the City provides, the developer/owners of the City's affordable housing stock are required to make the units affordable to low income households for a specified period of time. The City provides most of its financial assistance to local nonprofit organizations, since few for-profit firms have approached the City for assistance in building affordable housing. Regardless of whether they are for profit or nonprofit, all developer/owners sign affordability covenants that specify allowable rent and income levels for the project.

According to the City 2004 Housing Element the City has the land inventory and zoning capacity to accommodate the projected local and regional housing need within existing General Plan and zoning capacities. No zoning or General Plan changes are necessary to meet the City's housing needs for the prior planning period. The City is working on the current Regional Housing Needs Assessment (RNHA) and next round of Housing Element updates.

Residential development is allowed in most commercial zones at the R-3 / R-4 multi-family residential development densities. Allowable R-3 / R-4 densities range from 15 to 27 units per acre depending on the unit types and use of variable density.

There is considerable untapped development potential in the City's multi-family and commercial zones. Historically, the City has encouraged the redevelopment of aging housing stock to more intense multi-family apartment or condominium development as allowed by the zone. Recently, several projects have proposed to demolish aging housing stock and to replace it with multifamily development, typically condominiums. In some cases this has been supported by the neighborhood as appropriate recycling and improvement of the housing stock.

In some cases, concerns have been raised about the loss of historic resources or housing that was "affordable" by virtue of its aging conditions. The City's General Plan Conservation Element provides policy context and direction for protection of cultural and historic resources in our built environment as well as visual resource protection in our hillside and open space areas. The City existing policies and Master Environmental Assessment (MEA) provide guidance to protect historic resources. Further, the City has responded by initiating historic surveys. The City is also has a demolition control ordinance to preserve historically significant architecture.

The 2008 Development Trends Report states that there is sufficient capacity under existing zoning to allow 5,865 to 6,267 units on commercially zoned sites that do not include historic structures. Areas that could accommodate future residential units are located in and around the downtown core and along upper State Street.

Archaeological Resources:

Native American culture, appearing along the channel coast over 10,000 years ago, provides a distinctive foundation for the Santa Barbara area. Numerous villages of the Barbareño Chumash were found to have flourished in the coastal plains and creekside areas that are now encompassed by the City. It was the Barbareño Chumash's well-developed material culture and their advanced social organization that significantly influenced the Spanish and Mexican cultures that were to follow.

Archaeological research indicates that the Barbareño Chumash population in Santa Barbara was the most advanced Native American group in California. Artifacts from coastal and interior sites are an integral part of current research into theories of cultural evolution. The preservation and conservation of these sites of prehistoric Chumash habitation is very important to future research. The archaeological resources in the Santa Barbara area include cave archaeology and rock art in the interior, and middens containing artifacts such as ornaments, tools, and shells along the more extensively inhabited coastal areas.

In 1542 explorer Juan Rodriguez Cabrillo, a Portuguese sailing for Spain, entered the Santa Barbara Channel and made the first European contact with the Barbareño Chumash. European settlement is marked by the government of Spain's establishment of El Presidio de Santa Barbara in 1782. Four years after this fortress and seat of civil government was instituted, Mission Santa Barbara was founded in 1786. By the time of secularization of the missions by the government of Mexico in 1834, the Barbareño Chumash had virtually been eliminated by disease and the influence of Europeans.

From 1848 to 1870, the City experienced the transition from Mexican presidio/pueblo to American city. During this period, the American-European business district was concentrated along State Street, between Gutierrez and Ortega Streets. Many of the Hispanic community lived near State Street in an eight-block area between Ortega and Figueroa Streets. It was during this period that the first detailed maps of downtown were drawn. The street grid was laid out in 1851; however, because of its rigid grid and the use of faulty surveying equipment, the resulting 1853 map contained many dimensional inaccuracies. The imposition of this grid eventually led to the demolition or truncation of many adobe houses. The adobe building tradition lasted until the early 1860s in Santa Barbara. This was due to the City's isolated position which made the transportation of building materials difficult. By 1870, the influence of the Hispanic population over the economic and cultural life of the City had been reduced.

Biological Resources:

The City of Santa Barbara is largely a built-out urban environment. Important biological resources in the City include natural resources in marine/coastal, hillside, and creek side environments, and localized urban-adapted resources including oak trees and specimen trees. The City contains upland and coastal habitat areas as well as plants and wildlife consistent with urban environments. Additionally, plants and wildlife of Special Interest are found in various locations throughout the City.

Upland Habitats within the City include oak woodland, riparian and wetlands, native perennial grasslands, coastal bluff, coastal sage scrub, southern oak woodland, and chaparral. Coastal Habitats within the City include coastal sage scrub, coastal strand, brackish water and freshwater marshes, estuaries, and riparian and ruderal riparian habitats along creeks.

Habitats for nesting, foraging, congregation and movement as well as habitat areas for Special Interest Species are considered important wildlife areas. Such areas are riparian corridors (Arroyo Burro Creek, Mission Creek, Cieneguitas Creek, San Roque Creek, Arroyo Honda Creek, Laguna Creek, Lighthouse Creek and Sycamore Creek), potential southern steelhead rearing habitat, tidewater goby habitat and riparian bird habitat. The Andre Clark Bird Refuge provides a lake habitat for as many as 192 bird species including migratory waterfowl and domestic geese and ducks. The Goleta Slough Ecological Preserve located on airport lands provides important habitat for a variety of plant and animal species. Reaches of Mission Creek, Sycamore Creek, San Roque Creek, Arroyo Burro Creek are designated as southern steelhead critical habitat or rearing habitat. Tidewataer Goby habitat has been mapped at the mouths of Sycamore Creek, Mission Creek, Laguna Creek and Arroyo Burro Creek.

Oak-dominated habitats vary in the number and density of oak trees. Oak woodlands typically occur along the edges of riparian area, whereas hillside and savanna woodlands occur in drier upland areas. In the southern oak woodland and riparian woodland habitats, the Coast Live Oak is the dominate tree type. Oak habitats occur along creek corridors and hillsides within the City. These oak habitats provide important nesting and foraging areas for a variety of wildlife. Isolated oaks and specimen trees also occur throughout residential and urban areas in the City. Oaks are slow growing, long-lived trees and do not recover quickly from relocation or disturbance. Substantial changes to the surface soils, soil moisture, root system or crown may weaken an otherwise healthy tree. The majority of oaks within the City are Coast Live Oaks with rare occurrences of the Special Interest species, Nuttal's Scrub Oak. Isolated native non-oak and specimen trees also occur throughout residential and urban areas in the City. Specimen trees are defined as healthy, structurally sound and well developed for the species. Those trees considered important have historic significance, noteworthy size or special location. These trees are also considered important biological resources.

Species and habitats are considered of special interest if they are protected under Federal or State Endangered Species Acts, listed as California Department of Fish and Game "Species of Concern," or "Fully Protected Species," listed in the California Natural Diversity Database or listed in the California Native Plant Society Inventory of Rare and Endangered Plants. Special Interest wildlife and plants occurring in the City are shown in the table below.

Special Interest Wildlife and Plants in the City of Santa Barbara

Wildlife	Wildlife (Cont.)	Plants
Southern Bald Eagle	Southern Steelhead Trout	Water Aster
California Brown Pelican	Tidewater Goby	Southern Tar Plant
California Least Tern	Black Skimmer	Coutier's Goldfields
California red legged frog	Long-billed Curlew	Meadow Barley
Western Snowy Plover	Elegant Tern	Cliff Aster
White-Tailed Kite	Belding's Savannah Sparrow	Cithara Buckwheat
American Peregrine Falcon	Silvery Legless Lizard	Thimbleberry
Sharp-Shinned Hawk	Big Free-tailed Bat	Plummer's Baccharis
Osprey	Globose Dune Beetle	Davidson's Saltscale
Short-Eared Owl	Monarch Butterfly.	Hoffman's Bitter Gooseberry
Western Least Bittern	Southern California Rufous-Crowned Sparrow	Santa Barbara Honeysuckle
Bank Swallow	Southwest Pond Turtle	Summer Holly
Double Crested Cormorant	Cooper's Hawk	Coutier's Saltbush
California Gull		Catalina Mariposa Lily
Light-footed Clapper Rail		Nuttall's Scrub Oak
Black Rail		Island Morning Glory

Flooding/Fire Hazard:

The mountains above Santa Barbara provide significant orographic uplift and receive much higher precipitation than the coastal plain. The mean seasonal precipitation for the drainage area is approximately 18-inches-per-year along the coast and 30-inches-per-year in the mountains. The majority of the precipitation occurs between November and April. Flooding typically occurs between December and March. The majority of the precipitation is a result of general winter storms associated with extra-tropical cyclones of North Pacific origin. The rainfall events that cause flooding in the Santa Barbara area are intense and are typical in coastal California. These floods are of a short duration, with extreme flooding lasting a few hours or less.

County Flood Control, in coordination with the Federal Emergency Management Agency (FEMA) has designated flood zones within the City. Designated 100-year flood zones are typically located along major creeks (Arroyo Burro, Mission, Sycamore, and Laguna) and beach areas. Along Arroyo Burro Creek, floodwaters can break out of the creek north of U.S. Highway 101, creating a large floodplain along the creek's east bank approximately 1 mile long, exposing portions of the Hitchcock and Veronica Springs neighborhoods and business along Calle Real and Modoc Road to flood hazards. Several neighborhoods are subject to potential flooding from Mission Creek, particularly the upper West Side east of Oak Park, Downtown below Haley Street and as far north as De la Guerra Street east of State Street, as well as the entire Waterfront and "Funk zone" south of U.S. Highway 101 between City College and Chase Palm Park North. Sycamore Creek can also cause substantial flooding east of Milpas Street on the lower East Side below Montecito Street and along the waterfront near Dwight Murphy Field and the Fess Parker's Doubletree Resort.

Much of the hillside area is zoned for single family residential uses and is within high or extreme high fire hazard areas as identified in the Wildland Fire Plan. The area included in these high fire hazard areas is some of the more expensive real estate in the City of Santa Barbara.

Creeks/Drainage:

Santa Barbara contains four major watersheds, each of which eventually drains to the Pacific Ocean. These watersheds are drained by Arroyo Burro, Mission and Sycamore creeks, and the Laguna Channel. The three larger creeks all originate on the south face of the Santa Ynez Mountains, generally at elevations of 2,000 to over 3,000 feet above mean sea level (MSL). Each of these larger watersheds, particularly those of Arroyo Burro and Mission creeks drain large natural undeveloped areas within the Santa Ynez Mountains and Los Padres National Forest, as well as highly urbanized areas within the City. With the exception of some undeveloped canyons of the south face of the Rivera, the Laguna Channel drains an almost entirely urbanized watershed. Three other smaller watersheds are located in the City and include Arroyo Hondo and Lighthouse creeks which drain the much of the Mesa, and Cieneguitas Creek which drains limited areas of the far west end of the City near State Highway 154.

Mission, Arroyo Burro and Sycamore creeks are each characterized by step gradients in their upper watersheds in the foothills, but level out to become gently sloping in the more urban portions of the City, below Upper State Street for Mission and Arroyo Burro creeks, and below Alameda Padre Serra for Sycamore Creek. The Laguna Channel drains most of downtown and the upper east side and is gently sloping, except for limited areas on the south facing slopes of the Riviera. In the urbanized areas of the City, drainage to all of these major and minor creeks is fed by runoff from roadway gutters which empty into a network of urban storm drains that generally vary in size from 18 to 48 inches in diameter. Each of the lower reaches of the major creeks, as well as the lower reaches of several major storm drains, such as the central drain at east beach and those that empty onto west beach, is less than 15 feet above MSL for approximately 1 mile inland. Each creek as well as major storm drains support tidal estuaries, with those at Arroyo Burro and Mission creeks approximately 2 acres in size.

Arroyo Burro Creek, and to a lesser extent, Mission Creek maintain relatively strong summer flows in lower reaches, approximately 1 mile upstream from the Pacific Ocean. Ample water and the relatively natural channel of Arroyo Burro Creek provide important fish and wildlife habitat. However, the middle reaches of both Arroyo Burro and Mission creeks are generally dry from May or June through October as lower flows percolate through streambed gravels into the ground-water basins below. Sycamore Creek's smaller watershed generally supports flows of shorter duration. Even the upper reaches are reduced to minimal flows or drying completely in places during the summer drought.

Many of the City's most scenic and heavily used parks are located along major creeks, particularly Mission Creek. These range from Rattlesnake Canyon and Stevens parks in the foothills to more urban parks such as Oak and Bohnett parks along an old creek bend bypassed by Mission Creek. Surprisingly, although development occurs up to the top of the creek bank in much of the urban areas, many of the City's creeks retain relatively natural open channels over the majority of their length; however, small- to mid-sized tributaries are frequently contained in culverts. Segments of all of the creeks have bank protection such as rip-rap or retaining walls of wood, concrete or rocks, and creek banks are frequently protected by pipe and wire revetment to prevent erosion and speed floodwater passage. Notable exceptions include a concrete-lined 1,400-ft reach of Arroyo Burro Creek above U.S. Highway 101, and an 1,800-ft reach of concrete channel

along lower Mission Creek below at Micheltorena Street at Highway 101.

The quality of on- and off-shore surface waters in Santa Barbara is a significant concern to both City residents and regulatory agencies. In particular, the surface water in City creeks is known at times to harbor levels of pathogens (e.g., bacteria, viruses) that exceed adopted water quality protection standards. In addition, run-off polluted with petroleum products from roads and parking lots and other urban debris combined with sediment released from urban and agricultural development and creek bank erosion also cause pollution in area creeks. These instream pollutants contribute to pollution at popular downstream beaches such as East Beach and Arroyo Burro Beach. Such pollution can expose swimmers and surfers to infections and illness and conflicts with local state and federal clean water policies and regulations. Over the last decade, clean water issues have become a major public concern, leading to the passage of the City's Measure B in 2000. This measure increased the hotel bed tax by 2% per year to provide approximately $2.8 million annually to fund water clean up and protection measures, and the establishment of the Santa Barbara Creeks Division.

Regulation to protect surface water quality includes local polices implemented by the City's Creeks Division and the County's Project Clean Water, as well as state and federal regulations. The Creeks Division implements water quality and habitat improvement projects, provides public education and reviews new development projects to ensure that water quality protection measures are incorporated. A major recent project involved the "daylighting" or uncovering of buried portions of Mesa Creek along with habitat restoration to improve water quality and habitat at the Arroyo Burro estuary.

Noise:

The most significant source of noise in the City is road traffic, followed by rail and air traffic. Of the roads evaluated for noise exposure, the following were found to be associated with Ldn noise levels of 70 dBA or higher: U.S. 101, State Street, Cabrillo Boulevard, and Las Positas Road. Rail traffic on the Southern Pacific line is infrequent, but creates intense noise events such that the total sound energy associated with the railroad is nearly equivalent to that of U.S. 101. The airport is not a likely area of the City to be selected for affordable housing development.

Seismic/Geologic Conditions:

Santa Barbara is located in the western portion of the Transverse Ranges physiographic province of Southern California. The Transverse Ranges are a complex series of east-west trending mountain ranges and valleys. The structural orientation of this province is transverse to the general north-northwest structural trend of the other geologic provinces in California. The western segment of the Transverse Ranges province extends from Ventura County west to Point Arguello, and is dominated by the east-west trending Santa Ynez Mountain Range. The geology of the general area is dominated by Cretaceous-age to recent age sedimentary rock. The City is located within an elevated portion of the Santa Barbara coastal plain characterized by a gently undulating, but generally south-sloping surface. The elevated feature of the plain is believed to be caused by tectonic uplift during the Quaternary age. Locally, the site area is underlain by alluvium over the south-dipping structure of the Santa Ynez Mountains.

The surficial geologic formations vary from Oligocene-age to recent age deposits. Locally, Holocene to upper Pleistocene age alluvium consisting of unconsolidated to weakly consolidated, poorly to moderately sorted silt, sand and gravel deposits underlie the project area. Alluvial soils are found throughout the project area.

Topography:

Santa Barbara is in the approximate center of a narrow, east -west coastal shelf, about 25 miles in length and located about 100 miles northwest of Los Angeles. From a curving three-mile beach, the central portion of the community rises gradually in a northwesterly direction to form an area of some four square miles, sheltered on the southwest from direct exposure to the offshore winds by rolling hills of 300 to 400 feet in elevation. On the north, the basin sweeps up into the foothills of the Santa Ynez Mountains, the rugged east-west coastal range which divides the South Coast from the Santa Ynez Valley. To the west, the Santa Barbara basin passes between the sheltering hills on the south and the foothills on the north, and into the Goleta Valley. South, and about 30 miles offshore from Santa Barbara, the four Channel Islands—San Miguel, Santa Rosa, Santa Cruz and Anacapa—lie parallel to the coast and form a barrier to the heavy seas coming in from the Pacific.

Transportation

Level of service (LOS) is a qualitative measure used to describe the condition of traffic flow, ranging from excellent conditions at LOS A to overloaded conditions at LOS F. LOS C with a volume to capacity (V/C) ratio of 0.77 or less is the acceptable level of service in the City of Santa Barbara. For unsignalized intersections, LOS C is used as the minimum acceptable LOS. The 2008 weekday existing Intersections level of service is provided in Table 1 attached as Exhibit B.

Because traffic flow on urban arterials is most constrained at intersections, detailed traffic flow analyses typically focuses on the operating conditions of critical intersections during peak travel periods. However, in some instances, congestion along major road corridors can be related to the interaction between closely spaced signals and other factors such as a large number of driveways, pedestrian activity, transit operations, etc. Several such corridors exist in the City, including Upper State Street, and Carrillo Street between U.S. Highway 101 and Milpas Street. Intersections that operate at or below city thresholds occur primarily in the vicinity of Highway 101. City intersections that operate at or below city thresholds during the morning and afternoon peak hour are presented in Table 2 attached as Exhibit B.

PLANS AND POLICY DISCUSSION

Land Use and Zoning Designations:

The location of any housing that would be constructed using funding derived from the proposed amendment to the Inclusionary housing Ordinance has not yet been determined. Since funding is limited for affordable housing it is likely to be located where suitable General Plan land use designations and zoning classifications already exist. If it is proposed where suitable land use designations and zoning classifications do not exist, an environmental review of any land use and zoning changes that would be required to allow the proposed residential use would be conducted.

General Plan Policies:

A 2004 Housing Element goal seeks to ensure a full range of housing opportunities for all persons regardless of economic group, race, religion, sex, marital status, sexual orientation, ancestry, national origin or color. The goal says the City shall place special emphasis on providing housing opportunities for low income, moderate income and special needs households. The proposed ordinance amendment would provide limited funding for affordable housing and is therefore potentially consistent with this goal.

Policy 2.8 of the Housing Element indicates that new development in and/or adjacent to existing residential neighborhoods must be compatible in terms of scale, size, and design with the prevailing character of the established neighborhood. New development which would result in an overburdening of public circulation and/or on street parking resources of existing residential neighborhoods shall not be permitted, unless findings of overriding consideration can be made. The proposed project includes funding for residential development that would be reviewed for consistency with this goal and compatibility with adjacent housing when it is reviewed by the design review boards, Staff Hearing Officer, and the Planning Commission. Future environmental, discretionary, and design review would ensure that development is compatible with existing development. The project is therefore potentially consistent with this policy.

Policy 4.1 of the Housing Element encourages construction of new affordable housing opportunities for owners and renters. The proposed project is potentially consistent with this policy because it collects funding for construction of affordable housing.

Policy 4.2 of the Housing Element encourages resource conservation measures in new and rehabilitated residential developments and mixed use projects. The proposed project may result in construction of residential development in residential or commercial (mixed use) areas. The amount of development that would be financed by the proposed ordinance amendment is small. When development financed by fees collected pursuant to the proposed Ordinance Amendment is proposed and the location is known review of the proposal will include an assessment of resource conservation measures. It is likely that proposed affordable housing would be acquired or constructed in the downtown and adjacent areas where public transportation is available and resource use would be minimized and impacts on sensitive resources would be minimal. Future environmental review would ensure that that the project includes conservation measures. The project is therefore potentially consistent with this policy.

Policy 4 of the Housing Element encourages applications for public and private financial assistance for affordable housing projects. The proposed project is potentially consistent with this policy because it obtains private financial assistance in the form of fees to develop affordable housing.

Policy 4.6 of the Housing Element encourages the creation of new programs to aid the homeless and those on the verge of becoming homeless to secure housing. The project is potentially consistent with this policy because funding derived from the proposed ordinance amendment would encourage affordable housing that would increase the supply of housing making more housing available for the homeless.

Policy 5.1 of the Housing Element encourages assistance to affordable housing sponsors to produce affordable housing by minimizing the time and cost associated with the development review process while maintaining the City's commitment to good planning and environmental protection. The project is potentially consistent with this policy because funding derived from the proposed ordinance amendment would be available to provide assistance to affordable housing sponsors.

The Land Use Element includes a goal that seeks to maintain the character of Santa Barbara primarily as a low-density residential community. The proposed ordinance amendment would provide limited funding that could be used to provide a small amount of affordable housing in the City. The small amount of development would likely be absorbed in the downtown core and surrounding developed areas and would be subjected to environmental review. Since there could be a small amount of development and the project would be reviewed to ensure it maintains the character of the City the project would be potentially consistent with this policy.

The Land Use Element includes a goal that encourages the City to live within its resources by balancing development with available resources and maintaining the established character of the City. Development that occurs with funding from the proposed ordinance amendment would likely occur in areas planned for and zoned for residential uses in and around the downtown core. These areas generally have sufficient resources and development of these areas would be unlikely to result in an imbalance of resources and substantially change the character of the City. When the location and configuration of development is known it would be subject to review and would be modified, if necessary, to be consistent with the character of adjacent development. The project is therefore potentially consistent with this goal.

The Land Use Element includes a goal to provide adequate public services and facilities to all the residents of the community. Development that occurs with funding from the proposed ordinance amendment would likely occur in areas planned for and zoned for residential uses in and around the downtown core and surrounding areas along Upper State Street. These areas generally have sufficient public services and facilities. The funding from the proposed fee would be sufficient for 1.52 units per year (three units every other year). When the location and type of development is known it would be subject to review and would not be approved if sufficient public services and other services were not available. Because of the small amount of development that could occur, and because existing services and other services are either adequate or would be expanded to be adequate, the development that could occur would be potentially consistent with this goal.

The Land Use Element includes a goal that ensures affordable housing opportunities for all economic levels of the community. The proposed project is potentially consistent with this goal because it collects funding for construction of affordable housing.

The Conservation Element includes a goal designed to preserve and protect wherever feasible sites of significant archaeological, historic, or architectural resources. The proposed project could fund development on sites where historic and/or archaeological resources are present. The City has in place a Master Environmental Assessment Guidelines for Archaeological and Historic Structures and Sites that, when followed, ensures that these resources would be protected and preserved, when feasible. When development is proposed with funding from the proceeds of the ordinance amendment it would be subjected to review using the above described procedures. Future environmental and Historic Landmark Commission review would ensure that that the project includes measures to protect these resources. These procedures would ensure the development is potentially consistent with this goal.

The Conservation Element includes a goal designed to maintain air quality above Federal and State ambient air quality standards. Funding derived by the ordinance fee would not be sufficient to allow sufficient development to trigger a violation of State or Federal ambient air quality standards so the project is potentially consistent with this goal.

The Conservation Element includes a goal designed to enhance and preserve the City's critical ecological resources. Construction that would be funded by fees from the Ordinance amendment would not be sufficient to result in the construction of a substantial number of new residential units because the amount of development that is expected to occur that would be subject to the fee would be relatively low, some of the fee funding could be used to purchase existing units, and the fees would also be used to fund City costs associated with ensuring compliance with affordable housing requirements. Since the small amount of development that could occur would likely be located in downtown and surrounding areas where urban development has already occurred (biological resources values are low) and new development would be subject to environmental review and existing requirements (Master Environmental Assessment, General Plan Conservation Element, Storm Water Pollution Prevention Plan, Santa Barbara Municipal Code requirements, etc.) designed to minimize the impacts of development on the environment (e.g. control of project runoff

water quality) impacts of the project on ecological resources would be minor. Therefore the project is potentially consistent with this goal.

The Conservation Element includes a goal designed to ensure that human habitation of the City's floodplains does not adversely affect public health, safety, and welfare. Construction that would be funded by fees from the Ordinance amendment would not be sufficient to result in the construction of a substantial number of new residential units because the amount of development that is expected to occur that would be subject to the fee would be relatively low, some of the fee funding could be used to purchase existing units, and the fees would also be used to fund City costs associated with ensuring compliance with affordable housing requirements. Since the small amount of development that could occur would likely occur in downtown and surrounding areas and existing code requirements require that residential development be located outside of the 100-year flood plain, the development that could occur would not be subject to flooding. Therefore the project is potentially consistent with this goal.

The Seismic Element includes goals and policies designed to minimize the exposure of the public to unacceptable risk due to ground rupture and secondary seismic hazards such as ground shaking, liquefaction, seiche, and landslides. The proposed project could result in the construction of a limited number of new structures. These structures would be required to conform to City requirements regarding construction in known ground rupture areas and areas of liquefaction. Adherence to the building code (required for any building permit) and environmental review procedures already in place when construction locations and type are known would ensure that exposure of project occupants to unacceptable risk due to ground rupture and secondary seismic hazards is minimized. The project would be potentially consistent with applicable goals and policies.

Coastal Plan policy 5.3 requires new development in and/or adjacent to existing residential neighborhoods to be compatible in terms of scale, size, and design with the prevailing character of the established neighborhood. New development that would result in an overburdening of public circulation and/or on-street parking resources of existing residential neighborhoods would not be permitted. Projects using in-lieu funding would be required to meet City standards and would be reviewed by the applicable design board to ensure that they are compatible with adjacent uses. Therefore, the ordinance amendment would be potentially consistent with this policy.

Coastal Plan policy 5.6 seeks to obtain provisions for low- and moderate-income housing in all new residential developments. The proposed ordinance amendment would make provisions in smaller residential projects that would have difficulty funding an affordable residential unit alone. Instead an in-lieu fee would be collected that could be used to fund construction or purchase of affordable housing units in the City. Because it makes provisions for moderate income housing in new residential development where from 2 to 9 units are proposed, the ordinance amendment would be potentially consistent with this policy.

Coastal Plan policy 5.7 seeks to reduce the impact of the conversion of apartments to condominiums on residents in rental housing, particularly those of low- and moderate-income, and provide an opportunity for ownership of all types, and for all levels of income. The proposed project would enhance the development of affordable housing and would therefore be potentially consistent with this policy.

Coastal Plan policy 9.1 protects, preserves, and enhances existing views to, from, and along the ocean and scenic coastal areas. The small amount of development that could occur using project funding would be subject to design and environmental reviews to ensure that it does not interfere with views to, from, and along the ocean. Also, new affordable housing is unlikely to be developed in the coastal areas due to the higher prices associated with acquisition of this land so view blockage by affordable housing is even more unlikely. Therefore, the project is potentially consistent with this view preservation policy.

MITIGATION MONITORING AND REPORTING PROGRAM (MMRP)

A draft Mitigation Monitoring and Reporting Program is attached as Exhibit C in compliance with Public Resources Code §21081.6.

ENVIRONMENTAL CHECKLIST

The following checklist contains questions concerning potential changes to the environment that may result if this project is implemented. If no impact would occur, **NO** should be checked. If the project might result in an impact, check **YES** indicating the potential level of significance as follows:

Significant: Known substantial environmental impacts. Further review needed to determine if there are feasible mitigation measures and/or alternatives to reduce the impact.

Potentially Significant: Unknown, potentially significant impacts that need further review to determine significance level and whether mitigable.

Potentially Significant, Mitigable: Potentially significant impacts that can be avoided or reduced to less than significant levels with identified mitigation measures agreed-to by the applicant.

Less Than Significant: Impacts that are not substantial or significant.

1. AESTHETICS Could the project:		**NO**	**YES** *Level of Significance*
a)	Affect a public scenic vista or designated scenic highway or highway/roadway eligible for designation as a scenic highway?		Potentially Significant, Mitigable
b)	Have a demonstrable negative aesthetic effect in that it is inconsistent with Architectural Board of Review or Historic Landmarks Guidelines or guidelines/criteria adopted as part of the Local Coastal Program?		Potentially Significant, Mitigable
c)	Create light or glare?		Potentially Significant, Mitigable

Visual Aesthetics - Discussion

Issues: Issues associated with visual aesthetics include the potential blockage of important public scenic views, project on-site visual aesthetics and compatibility with the surrounding area, and changes in exterior lighting.

Impact Evaluation Guidelines: Aesthetic quality, whether a project is visually pleasing or unpleasing, may be perceived and valued differently from one person to the next, and depends in part on the context of the environment in which a project is proposed. The significance of visual changes is assessed qualitatively based on consideration of the proposed physical change and project design within the context of the surrounding visual setting. First, the existing visual setting is reviewed to determine whether important existing visual aesthetics are involved, based on consideration of existing views, existing visual aesthetics on and around the site, and existing lighting conditions. Under CEQA, the evaluation of a project's potential impacts to scenic views is focused on views from public (as opposed to private) viewpoints. The importance of existing views is assessed qualitatively based on whether important visual resources such as mountains, skyline trees, or the coastline, can be seen, the extent and scenic quality of the views, and whether the views are experienced from public viewpoints. The visual changes associated with the project are then assessed qualitatively to determine whether the project would result in substantial effects associated with important public scenic views, on-site visual aesthetics, and lighting.

Significant visual aesthetics impacts may potentially result from:

- Substantial obstruction or degradation of important public scenic views, including important views from scenic highways; extensive grading and/or removal of substantial amounts of vegetation and trees visible from public areas without adequate landscaping; or substantial loss of important public open space.
- Substantial negative aesthetic effect or incompatibility with surrounding land uses or structures due to project size, massing, scale, density, architecture, signage, or other design features.
- Substantial light and/or glare that poses a hazard or substantial annoyance to adjacent land uses and sensitive receptors.

Visual Aesthetics – Existing Conditions and Project Impacts

1.a, b, & c Scenic Views/On-Site Aesthetics/Lighting

Approval of the proposed amendment to the Inclusionary Housing Ordinance (IHO) itself would have no direct adverse impacts on the environment because it is a change in the requirements for monetary exactions when projects including

from two to nine units are approved. However, the funding derived from the in-lieu fee for affordable housing could be used for construction of new residential units. The units that could be constructed with in-lieu funding are therefore an indirect consequence of the approval of the IHO.

Development that is likely to occur using funding from the proposed ordinance amendment would, based on prior trends, occur mainly in the downtown core and surrounding multi family and commercial zones and along Upper State Street. This is a developed urban area well suited to absorbing the visual impacts of limited additional small scale development, since it is not a pristine visual setting. Since the location and configuration of structures, including type/configuration of lighting, funded by the project is unknown, it is possible that the visual impacts associated with the development would be substantial but these impacts would be mitigated during environmental and design review, when proposed. Given the small number of units that could be constructed, the already developed visual context, and that environmental review and discretionary/design reviews of proposed development would occur and this review would ensure consistency with policies requiring preservation of scenic views, aesthetics compatibility and appropriateness, it is likely that the projects aesthetics impacts would be reduced to less than significant levels. Review would be required to ensure compatibility with lighting ordinance requirements that specify that the lighting should be minimized and shielded to minimize glare. Standard conditions of approval requiring design review and lighting would be required to ensure that any visual impacts associated with the project are minimized. Therefore, project aesthetic impacts are identified as *potentially significant, mitigable.*

Visual Aesthetics - Mitigation

Aesthetics - When construction is proposed it shall be subjected to environmental and discretionary/design review to minimize any project visual impacts identified and for consistency with the Santa Barbara Municipal Code, General Plan Conservation Element, and applicable design review guidelines. Existing Lighting Ordinance compliance would be ensured during project review and standard conditions of approval would be applied.

Visual Aesthetics - Residual Impacts

Less than significant

2. AIR QUALITY Could the project:		**NO**	**YES** ***Level of Significance***
a)	Violate any air quality standard or contribute to an existing or projected air quality violation?		Less than Significant
b)	Expose sensitive receptors to pollutants?		Potentially Significant, Mitigable
c)	Create objectionable odors?		Less than Significant
Is the project consistent with the County of Santa Barbara Air Quality Attainment Plan? YES			

Air Quality - Discussion

Issues. Air quality issues involve pollutant emissions from vehicle exhaust and industrial or other stationary sources that contribute to smog, particulates and nuisance dust associated with grading and construction processes, and nuisance odors.

Smog, or ozone, is formed in the atmosphere through a series of photochemical reactions involving interaction of oxides of nitrogen [NO_x] and reactive organic compounds [ROC] (referred to as ozone precursors) with sunlight over a period of several hours. Primary sources of ozone precursors in the South Coast area are vehicle emissions. Sources of particulate matter (PM_{10}) include demolition, grading, road dust, agricultural tilling, mineral quarries, and vehicle exhaust ($PM_{2.5}$).

The City of Santa Barbara is part of the South Coast Air Basin. The City is subject to the National Ambient Air Quality Standards and the California Ambient Air Quality Standards (CAAQS), which are more stringent than the national standards. The CAAQS apply to six pollutants: photochemical ozone, carbon monoxide, sulfur dioxide, nitrogen dioxide, particulate matter, and lead. The Santa Barbara County Air Pollution Control District (SBCAPCD) provides oversight on compliance with air quality standards and preparation of the County Clean Air Plan.

Global warming due to greenhouse gas emissions is of concern and there is a need to minimize greenhouse gas emissions to minimize project contributions to global warming. Global Climate Change (GCC) is a change in the average weather of the earth that can be measured by changes in wind patterns, storms, precipitation and temperature. Although there is not unanimous agreement regarding the occurrence, causes, or effects of GCC, there is a substantial body of evidence that climate change is occurring due the introduction of gases that trap heat in the atmosphere. Common greenhouse gases (GHG) include water vapor, carbon dioxide, methane, nitrous oxides, chlorofluorocarbons, hydrofluorocarbons, ozone and aerosols. Natural processes emit GHG that help to regulate the earth's temperature; however, it is believed that substantial increases in emissions from human activities, such as electricity production and vehicle use, have substantially elevated the concentration of these gases in the atmosphere beyond the level of naturally occurring concentrations. California is a substantial contributor of GHG (2nd largest contributor in the U.S. and the 16th largest contributor in the world); with transportation and electricity generation representing the two largest contributing factors (41 and 22 percent, respectively).

According to the US Environmental Protection Agency GHG emissions in the US amounted to 7,260 Tetragrams (one million metric tons) of carbon dioxide equivalence (TgCO2Eq.) in 2005. US GHG emissions were partially offset (11.4%) by carbon sequestration due to vegetation and other means. The California Energy Commission estimates that California emissions in 2004 were approximately 492 Million Metric Tons of Carbon dioxide equivalent (MMTCO2E). The goal of AB 32 would be to reduce greenhouse gas emissions to the estimated 1990 California greenhouse gases emissions of 427 MMTCO2E.

For comparison purposes, the California Air Resources Board has prepared the following conversion examples to describe the magnitude of one million metric tons of carbon dioxide. Reducing MMTCO2E is equivalent to:

- Avoiding the total emissions from 1 state-of-the-art 750 megawatt power plants for one year.
- 179,000 passenger cars and light trucks not driven for one year. In 2005, over 21 million passenger cars and light trucks were operated on California roads.
- 114 million gallons of gasoline saved. California consumes about 16 billion gallons of gasoline per year.

Impact Evaluation Guidelines: A project may create a significant air quality impact from the following:

- Exceeding an APCD pollutant threshold; inconsistency with District regulations; or exceeding population forecasts in the adopted County Clean Air Plan.
- Exposing sensitive receptors, such as children, the elderly or sick people to substantial pollutant exposure.
- Substantial unmitigated nuisance dust during earthwork or construction operations.
- Creation of nuisance odors inconsistent with APCD regulations.

Long-Term (Operational) Impact Guidelines: The City of Santa Barbara uses the SBCAPCD thresholds of significance for evaluating air quality impacts. The APCD has determined that a proposed project will not have a significant air quality impact on the environment if operation of the project will:

- Emit (from all project sources, both stationary and mobile) less than 240 pounds per day for ROC and NO_x, and 80 pounds per day for PM_{10};
- Emit less than 25 pounds per day of ROC or NO_x from motor vehicle trips only;
- Not cause a violation of any California or National Ambient Air Quality Standard (except ozone);
- Not exceed the APCD health risks public notification thresholds adopted by the APCD Board; and
- Be consistent with the adopted federal and state air quality plans for Santa Barbara.

Short-Term (Construction) Impacts Guidelines: Projects involving grading, paving, construction, and landscaping activities may cause localized nuisance dust impacts and increased particulate matter (PM_{10}). Substantial dust-related impacts may be potentially significant, but are generally considered mitigable with the application of standard dust control mitigation measures. Standard dust mitigation measures are applied to projects with either significant or less than significant effects.

Exhaust from construction equipment also contributes to air pollution. Quantitative thresholds of significance are not currently in place for short-term or construction emissions. However, SBCAPCD uses combined emissions from all construction equipment that exceed 25 tons of any pollutant except carbon monoxide within a 12-month period as a guideline threshold for determining significance of construction emission impacts.

Cumulative Impacts and Consistency with Clean Air Plan: If the project-specific impact exceeds the ozone precursor significance threshold, it is also considered to have a considerable contribution to cumulative impacts. When a project is not accounted for in the most recent Clean Air Plan growth projections, then the project's impact may also be considered to have a considerable contribution to cumulative air quality impacts. The Santa Barbara County Association of Governments and Air Resources Board on-road emissions forecasts are used as a basis for vehicle emission forecasting. If a project provides for increased population growth beyond that forecasted in the most recently adopted CAP, or if the project does not incorporate appropriate air quality mitigation and control measures, or is inconsistent with APCD rules and regulations, then the project may be found inconsistent with the CAP and may have a significant impact on air quality.

Air Quality – Existing Conditions and Project Impacts

Existing Conditions

The SCAB is considered in attainment of the federal eight-hour ozone standard, and in attainment of the state one-hour ozone standard. The SCAB does not meet the state eight-hour ozone standard or the state standard for particulate matter less than ten microns in diameter (PM10); but does meet the federal PM10 standard. There is not yet enough data to determine SCAB attainment status for either the federal standard for particulate matter less than 2.5 microns in diameter (PM2.5) or the state PM2.5 standard, although SCAB will likely be in attainment for the federal 2.5 standard.

The City of Santa Barbara has adopted energy efficiency requirements in Municipal Code, Title 22.82 Energy Efficiency. These standards require energy efficiency for structures that is greater than the energy efficiency requirements of the California Energy Commission requirements in Title 24 of the California Code of Regulations. The energy reductions required by Title 22.82 are 20% less for new low-rise (three stories or less) residential development, 15% less for new high-rise (four stories and three units or more) residential development, and 10% less for non-residential and hotel development. The city also encourages use of active and passive solar design on new structures in design guidelines that would further help reduce energy demand and associated greenhouse gas emissions for new development and reduce air emissions associated with cooling and heating. The City also has a program that provides for expedited building permit issuance if the proposed development meets criteria in the LEED-ND program that provides a mechanism that allows third-party verification that a development's location and design meets specified environmental protection and sustainability objectives that include energy conservation. All of these energy conservation measures are expected to reduce the projects greenhouse gas emissions. These greenhouse gasses may contribute towards global warming.

2.a-b) Air Pollutant Emissions and Sensitive Receptors

Long-Term (Operational) Emissions:

Approval of the proposed amendment to the Inclusionary Housing Ordinance (IHO) itself would have no direct adverse impacts on the environment because it is a change in the requirements for monetary exactions when projects including from two to nine units are approved. However, the funding derived from the in-lieu fee for affordable housing could be used for construction of new residential units. The units that could be constructed with in-lieu funding are therefore an indirect consequence of the approval of the IHO.

Substantial long-term project emissions could potentially stem from stationary sources which may require permits from the APCD, from motor vehicles associated with the project, and from mobile sources including the automobile. The proposed project does not contain any stationary sources (gas stations, auto body shops, dry cleaners, oil and gas production and processing facilities, and water treatment facilities) which require permits from the APCD.

Utilizing the URBEMIS 2007 version 9.2.4 computer model, it is estimated that the development of up to three affordable residential units in ant one year would generate 0.3 pounds per day of NOx, 3.3 pounds per day of Carbon Monoxide (CO), 0.3 pounds per day of PM10, 0.1 pounds per day of PM2.5, 0.5 pounds per day of ROC, and 175.4 pounds per day of carbon dioxide (CO2) (Exhibit D). The project would not exceed any air quality operational significance threshold. Therefore, the proposed project operation is expected to have a *less than significant* effect on air quality.

The carbon dioxide (CO2) equivalent is a consistent methodology for comparing GHG emissions. The net increase in CO2 emissions from the project (three units) operation is estimated to be 175.4 pounds per day (about 32.01 tons per year). The project would generate an estimated 0.000007% of California annual CO2 emissions and 0.0000004% of USA annual CO2 emissions. Project CO2 emissions would be a very small fraction of California and USA greenhouse gas emissions. As there are currently no significance thresholds for CO2 emissions or measuring GCC, this information is provided for informational purposes only.

As the proposed project would result in increased vehicle trips, it would contribute, on a cumulative level, to the

generation of GHG emissions. Because no significance thresholds or regulatory guidance currently exists for the generation of GHG emissions, impact determination would be overly speculative at this time. The City has adopted ordinances and guidelines in an effort to reduce the energy consumption of new construction. These measures that require more "green" construction serve to reduce GHG emissions from new and some refurbished development. Also, the City is in the process of preparing revisions to its General Plan. During the analysis of the impacts of the new plan additional guidance on how to deal with GHG emissions is anticipated.

Short-Term (Construction) Emissions:

Construction equipment would also emit NOx and ROC. However, in order for NOx and ROC emissions from construction equipment to be considered a significant environmental impact, combined emissions from all construction equipment would need to exceed 25 tons of any pollutant except carbon monoxide) within a 12-month period. Utilizing the URBEMIS 2007 Version 9.2.4 computer model, it is estimated that the proposed project will generate 1.06 tons per year of NO_x and 0.15 tons per year of ROC, during construction, far less than 25 tons. Therefore, the proposed project construction is anticipated to have a *less than significant* effect on the environment.

Utilizing the URBEMIS 2007 Version 9.2.4 computer model, it is estimated that the proposed project will generate an estimated 110.75 tons per year (607 pounds per day) of CO2 during construction. This is a minute portion of California and US CO2 emissions (0.00003% and 0.000002% respectively). Since there are no significance thresholds for CO2 no level of significance is assigned to this impact. However, the City strives to minimize greenhouse gas emissions by minimizing emissions during construction.

Sensitive Receptors: Sensitive receptors are defined as children, elderly, or ill people that can be more adversely affected by air quality problems. Land uses typically associated with sensitive receptors include schools, parks, playgrounds, childcare centers, retirement homes, convalescent homes, hospitals, and clinics. Stationary sources are of particular concern to sensitive receptors, as is construction dust and particulate matter. The project would not include stationary sources, but sensitive receptors could be affected by dust and particulates during project site grading if in close proximity to the site. This would result in a *potentially significant, mitigable* impact on sensitive resources. Nuisance dust and particulates would be reduced to a less than significant level through application of dust control mitigation measures that are applied by the City as standard conditions of approval.

2.c) Odors

The project is limited to residentiauses, and would not include land uses involving emission of substantial odors or smoke. The project would not contain features with the potential to emit substantial odorous emissions, from sources such as commercial cooking equipment, combustion or evaporation of fuels, sewer systems, or solvents and surface coatings. Project impacts related to odors would be considered *less than significant.*

Consistency with the Clean Air Plan (CAP): Direct and indirect emissions associated with the project are accounted for in the CAP emissions growth assumptions because the proposed project is consistent with the City General Plan. Appropriate air quality mitigation measures, including construction dust suppression, would be applied to the project, consistent with CAP and City policies. The project could be found consistent with the Clean Air Plan.

Air Quality – Mitigation

Air Quality- When construction is proposed it would be reviewed according to the MEA and SBCAPCD Scope and Content of Air Quality Sections in Environmental Documents and conditions of approval designed to minimize construction and operation air pollutant emissions would be applied to the project.

Air Quality - Residual Impacts

Less than significant

3. BIOLOGICAL RESOURCES Could the project result in impacts to:		NO	YES *Level of Significance*
a)	Endangered, threatened or rare species or their habitats (including but not limited to plants, fish, insects, animals, and birds)?		Potentially Significant, Mitigable
b)	Locally designated historic, Landmark or specimen trees?		Potentially Significant, Mitigable
c)	Natural communities (e.g. oak woodland, coastal habitat, etc.).		Potentially Significant, Mitigable
d)	Wetland habitat (e.g. marsh, riparian, and vernal pool)?		Less than Significant
e)	Wildlife dispersal or migration corridors?		Less than Significant

Biological Resources - Discussion

Issues: Biological resources issues involve the potential for a project to substantially affect biologically-important natural vegetation and wildlife, particularly species that are protected as rare, threatened, or endangered by federal or state wildlife agencies and their habitat, native specimen trees, and designated landmark or historic trees.

Impact Evaluation Guidelines: Existing native wildlife and vegetation on a project site are qualitatively assessed to identify whether they constitute important biological resources, based on the types, amounts, and quality of the resources within the context of the larger ecological community. If important biological resources exist, project effects to the resources are qualitatively evaluated to determine whether the project would substantially affect these important biological resources. Significant biological resource impacts may potentially result from substantial disturbance to important wildlife and vegetation in the following ways:

- Elimination or substantial reduction or disruption of important natural vegetative communities and wildlife habitat or migration corridors, such as oak woodland, coastal strand, riparian, and wetlands.
- Substantial effect on protected plant or animal species listed or otherwise identified or protected as endangered, threatened or rare.
- Substantial loss or damage to important native specimen trees or designated landmark or historic trees.

Biological Resources – Existing Conditions

Existing biological resources are described in the Environmental Setting section near the beginning of this Initial Study.

Biological Resources – Project Impacts

3.a,b,c) Native Wildlife, Habitat and Specimen Trees

Approval of the proposed amendment to the Inclusionary Housing Ordinance (IHO) itself would have no direct adverse impacts on the environment because it is a change in the requirements for exactions when projects including from two to nine units are approved. However, the funding derived from the in-lieu fee for affordable housing could be used for construction of new residential units. The units that could be constructed with in-lieu funding are therefore an indirect consequence of the approval of the IHO.

The precise location of the three units every other year that could be built after the approval of the project is unknown. Up to three residential units could be constructed in every other year most likely in the downtown and surrounding area and upper State Street area, where residential densities are higher and real estate prices are relatively low. The area where proposed development would occur is likely already developed in urban uses and is most likely to be but not assured to be poor native habitat and unlikely to include sensitive species. The proposed development that could be funded by the in-lieu fee is a relatively small amount of development in relation to other development that is occurring in the City. Project impacts would be *potentially significant, mitigable* because there remains a possibility that sensitive biological resources and locally designated historic, landmark or specimen trees could be impacted by development. This impact can be reduced to a less than significant level by standard conditions of approval and environmental review and mitigation

developed as a result of the evaluation that would be required for the discretionary decision to approve any proposed project resulting from implementation of the IHO Amendment.

3 d and e) Wetlands and Wildlife Corridors

Development that could be funded by the project would be unlikely to occur in wetlands or wildlife corridors due to funding constraints for this type of development, because of the small amount of development involved and because affordable housing is likely to occur in the urban areas of the City that have already been developed in urban uses and do not include these environmental resources. Therefore, project impacts on wetlands and wildlife corridors would be *less than significant.*

Biological Resources – Mitigation

Biology- When construction is proposed, it would be reviewed according to MEA, the General Plan Conservation Element, and SBMC standards and regulations and conditions of approval designed to minimize biological impacts would be applied to the project.

Biological Resources - Residual Impacts

Less than significant.

4. CULTURAL RESOURCES Could the project:		**NO**	**YES** *Level of Significance*
a)	Disturb archaeological resources?		Potentially Significant, Mitigable
b)	Affect a historic structure or site designated or eligible for designation as a National, State or City landmark?		Potentially Significant, Mitigable
c)	Have the potential to cause a physical change which would affect ethnic cultural values or restrict religious uses in the project area?		Potentially Significant, Mitigable

Cultural Resources - Discussion

Issues: Archaeological resources are subsurface deposits dating from Prehistoric or Historical time periods. Native American culture appeared along the channel coast over 10,000 years ago, and numerous villages of the Barbareno Chumash flourished in coastal plains now encompassed by the City. Spanish explorers and eventual settlements in Santa Barbara occurred in the 1500's through 1700's. In the mid-1800's, the City began its transition from Mexican village to American city, and in the late 1800's through early 1900's experienced intensive urbanization. Historic resources are above-ground structures and sites from historical time periods with historic, architectural, or other cultural importance. The City's built environment has a rich cultural heritage with a variety of architectural styles, including the Spanish Colonial Revival style emphasized in the rebuilding of Santa Barbara's downtown following a destructive 1925 earthquake.

Impact Evaluation Guidelines: Archaeological and historical impacts are evaluated qualitatively by archeologists and historians. First, existing conditions on a site are assessed to identify whether important or unique archaeological or historical resources exist, based on criteria specified in the State CEQA *Guidelines* and City Master Environmental Assessment *Guidelines for Archaeological Resources and Historical Structures and Sites*, summarized as follows:

- Contains information needed to answer important scientific research questions and there exists a demonstrable public interest in that information.
- Has a special and particular quality such as being the oldest of its type or the best available example of its type.
- Is directly associated with an important prehistoric or historic event or person.

If important archaeological or historic resources exist on the site, project changes are evaluated to determine whether they would substantially affect these important resources.

Cultural Resources – Existing Conditions and Project Impacts

Existing conditions are described in the Environmental Setting section near the beginning of this Initial Study.

a, b, c) Archaeological, Historic, Ethnic/Religious Resources

Approval of the proposed amendment to the Inclusionary Housing Ordinance (IHO) itself would have no direct adverse impacts on the environment because it is a change in the requirements for exactions when projects including from two to nine units are approved. However, the funding derived from the in-lieu fee for affordable housing could be used for construction of new residential units. The units that could be constructed with in-lieu funding are therefore an indirect consequence of the approval of the IHO.

The proposed project could fund three units of residential development every other year on sites where historic and/or archaeological resources are present. Development that could occur using funding from in-lieu fees is likely to occur in the already developed urban area in and around the downtown core and on Outer State street These areas have the potential to include historic and archaeological resources. Although unlikely, ethnic and religious resources may also be present.

When development is proposed with funding from the proceeds of the ordinance amendment it would be subjected to review using the procedures outlined in the Master Environmental Assessment (MEA) Guidelines for Archaeological Resources and Historical Structures and Sites. Standard conditions of approval and the MEA procedures, when followed, ensure that cultural resources would be protected and preserved when feasible. The environmental review would indicate that there are no cultural resources present on the site, or that there are resources that would be preserved or protected. Potential cultural resource impacts are therefore identified as *potentially significant, mitigable.*

Cultural Resources – Mitigation

Cultural- When construction is proposed it would be reviewed according to the MEA Guidelines for Archaeological Resources and Historic Structures and Sites, Conservation Element, and SBMC and conditions of approval designed to minimize cultural resource impacts would be applied to the project.

Residual Impacts

Less than significant.

5. GEOPHYSICAL CONDITIONS Could the project result in or expose people to:		*NO*	*YES* *Level of Significance*
a)	Seismicity: fault rupture?		Less than Significant
b)	Seismicity: ground shaking or liquefaction?		Less than Significant
c)	Seismicity: seiche or tsunami?		Less than Significant
d)	Landslides or mudslides?		Less than Significant
e)	Subsidence of the land?		Less than Significant
f)	Expansive soils?		Less than Significant
g)	Excessive grading or permanent changes in the topography?		Less than Significant

Geophysical Conditions - Discussion

Issues: Geophysical impacts involve geologic and soil conditions and their potential to create physical hazards affecting persons or property; or substantial changes to the physical condition of the site. Included are earthquake-related conditions such as fault rupture, groundshaking, liquefaction (a condition in which saturated soil looses shear strength during earthquake shaking); or seismic sea waves; unstable soil or slope conditions, such as landslides, subsidence, expansive or compressible/collapsible soils; or erosion; and extensive grading or topographic changes.

Impact Evaluation Guidelines: Potentially significant geophysical impacts may result from:

- Exposure to or creation of unstable earth conditions due to seismic conditions, such as earthquake faulting, groundshaking, liquefaction, or seismic waves.
- Exposure to or creation of unstable earth conditions due to geologic or soil conditions, such as landslides, settlement, or expansive, collapsible/compressible, or expansive soils.
- Extensive grading on slopes exceeding 20%, substantial topographic change, destruction of unique physical features; substantial erosion of soils, overburden, or sedimentation of a water course.

Geophysical Conditions – Existing Conditions and Project Impacts

Existing conditions are described in the Environmental Setting section near the beginning of this Initial Study.

5.a, b, and d-f) Seismic/Soils Hazards

Approval of the proposed amendment to the Inclusionary Housing Ordinance (IHO) itself would have no direct adverse impacts on the environment because it is a change in the requirements for exactions of fees when projects including from two to nine units are approved. However, the funding derived from the in-lieu fee for affordable housing could be used for construction of new residential units. The units that could be constructed with in-lieu funding are therefore an indirect consequence of the approval of the IHO.

Development (three residential units every other year) that could be constructed with project funding could be proposed where earthquakes, ground rupture, and secondary seismic hazards such as ground shaking, liquefaction, landslide, subsidence, and expansive soils, could occur. These seismic hazards represent a serious threat to any proposed development. This impact would be less than significant. By following environmental review and adopted 2007 California Building Code procedures and requirements already in place in the City of Santa Barbara, as described below.

Since the development that could be constructed with project funding would require discretionary review the City would review the proposed project and site constraints to identify any potentially significant environmental impacts associated with the project. The City has in place procedures to review projects to ensure that they do not construct structures over potential fault lines. This includes review of MEA fault maps showing known fault lines and requirements for studies to determine where faults occur on a property if the map indicates that a fault may be present. If a fault is identified on the site any proposed structure would be required to be relocated away from the fault.

The adopted 2007 California Building Code provides specifications for seismic hazards. The City includes Seismic Design Category D and E that when combined with the requirements of Category C require soils investigations, assessment of liquefaction, lateral movement, soil bearing capacity, to determine proper foundation design and requires that structures are designed to withstand anticipated ground shaking. The building code also has provisions when structure are proposed near slopes that would address landslide potential by requiring setback from ascending or descending slopes. When building plans are reviewed prior to the issuance of building permits the plans would be checked to ensure they comply with applicable building code requirements. Standard conditions of approval would also be applied to each project during discretionary review that ensures that these seismic hazards are reduced to a less than significant level.

5 c) Seiche and Tsunami

Approval of the proposed amendment to the Inclusionary Housing Ordinance (IHO) itself would have no direct adverse impacts on the environment because it is a change in the requirements for exactions of fees when projects including from two to nine units are approved. However, the funding derived from the in-lieu fee for affordable housing could be used for construction of new residential units. The three units every other year that could be constructed with in-lieu funding are therefore an indirect consequence of the approval of the IHO.

Seiche hazard occurs around reservoirs or enclosed water bodies wherein ground shaking generates a wave. Since proposed development is expected to occur in areas (downtown and surrounding areas and along outer State Street) where there are no substantial water bodies likely to generate a seiche this impact would be *less than significant.*

Tsunamis are traveling sea-waves generated by sudden uplift of the sea bottom due to ground displacements during submarine earthquakes and/or landslides. Such waves can travel long distances across the ocean at a speed of about 600 miles per hour. As these waves reach the shore, their velocity decreases, but the wave height increases. Tsunami induced maximum wave run-up as much as 30 to 45 feet has been reported during some past major offshore earthquakes. The maximum wave run-up at a location is the vertical height above the mean sea or stillwater level at which the rush of water reaches as it climbs up during a tsunami. Such massive waves can cause substantial damage to structures.

Some of the potential sites where residences using IHO in-lieu funding could be located are close to the California coastline. The California coast has experienced more than 20 tsunamis during the past two centuries. The Santa Barbara coastline has experienced several tsunamis in the past (Eisner, 2001, Moore and Taber, 1974), and is likely to experience more in the future. The November 4, 1927 M7.5 Point Arguello-Lompoc earthquake generated a maximum run-up of about six feet (2 m) (Moore and Taber 1974, Borrero et al 2005). Borrero et al (2001) reported tsunami run up height of about six feet (2 m) in the Santa Barbara area from the 1918 M7.2 earthquake generated by the Mojave segment of the San Andreas Fault. Eisner et al (2001) reported 10 to 13 feet (3 to 4m) maximum run up heights from both the 1927 and the 1918 historical tsunamis. Based on Bolt (1999), the 1960 Chile M8.6 earthquake generated 5 feet (1.5 m) wave run-

up in the Santa Barbara area.

It should be noted that Eisner et al (2001) recommends, for emergency preparedness and evacuation planning, a maximum tsunami run-up height of 43 feet (13 m). This scenario corresponds to a rare event.

According to McCarthy (1993), the potential for the Santa Barbara coastline to experience locally generated (nearshore) tsunamis is considered high. Houston and Garcia (1978) estimated tsunami wave run-up height of 5.5 and 11 feet in the area from 100-year and 500-year return period events, respectively. More recently, Borrero et. al (2001) estimated tsunami run-up of about 6-feet in the area based on tsunamis from purely tectonic sources. Since ground surface elevation at potential housing sites is unknown and would be unlikely at an elevation as low as 11 feet above sea level (on the upper parts of the sandy beach) in the Waterfront Neighborhood, the potential that tsunamis generated by earthquakes due to movement on offshore faults would be unlikely to affect locations above 11 feet in elevation.

A tsunami large enough to cause serious damage above the 11 foot contour would have a rare probability of occurrence. Impacts due to tsunami on the residential development that could be constructed using funding from this project are therefore expected to be *less than significant.* In the event that housing is proposed within the tsunami run up area potential impacts can be avoided by constructing development above the 11 foot contour and reduced by including a system to warn residents to escape to higher ground in the event of an eminent tsunami.

5.g) Topography; Grading/ Erosion

Approval of the proposed amendment to the Inclusionary Housing Ordinance (IHO) itself would have no direct adverse impacts on the environment because it is a change in the requirements for exactions of fees when projects including from two to nine units are approved. However, the funding derived from the in-lieu fee for affordable housing could be used for construction of new residential units. The units that could be constructed with in-lieu funding are therefore an indirect consequence of the approval of the IHO.

Any projects proposed using in-lieu funding would be required to undergo review and to obtain a building permit. The review would include review of proposed grading, site topography and soils/erosion. During the review of plans to ensure they comply with the California Building Code (CBC) any potential erosion, grading, and slope related issues would be addressed to ensure they do not present a substantial threat to proposed improvements or the public. The topography of the proposed site may require substantial but not massive amounts of grading because there is only a small increment of development proposed. Therefore, any potential topographic, grading and erosion impacts would be *less than significant* and would be further reduced by environmental review, standard conditions of approval applied during discretionary review, and compliance with the CBC.

Geophysical Conditions - Mitigation

None necessary.

Geophysical Conditions – Residual Impacts

Less than Significant.

6. HAZARDS Could the project involve:		**NO**	**YES** ***Level of Significance***
a)	A risk of accidental explosion or release of hazardous substances (including, but not limited to: oil, pesticides, chemicals or radiation)?		Less than Significant
b)	The creation of any health hazard or potential health hazards?		Less than Significant
c)	Exposure of people to existing sources of potential health hazards?		Potentially Significant, Mitigable
d)	Increased fire hazard in areas with flammable brush, grass, or trees?		Potentially Significant, Mitigable

Hazards - Discussion

Issues: Hazardous materials issues involve the potential for public health or safety impacts from exposure of persons or the environment to hazardous materials or risk of accidents involving combustible or toxic substances.

Impact Evaluation Guidelines: Significant impacts may result from the following:

- Siting of incompatible projects in close proximity to existing sources of safety risk, such as pipelines, industrial processes, railroads, airports, etc.
- Exposure of project occupants or construction workers to unremediated soil or groundwater contamination.
- Exposure of persons or the environment to hazardous substances due to improper use, storage, or disposal of hazardous materials.
- Siting of development in a high fire hazard areas or beyond adequate emergency response time, with inadequate access or water pressure, or otherwise in a manner that creates a fire hazard

Hazards – Existing Conditions and Project Impacts

Existing conditions are described in the Environmental Setting section near the beginning of this Initial Study.

6.a,b,c, and d) Public Health, Safety, and Wildland Fire

Public Health and Safety

Approval of the proposed amendment to the Inclusionary Housing Ordinance (IHO) itself would have no direct adverse impacts on the environment because it is a change in the requirements for exactions of fees when projects including from two to nine units are approved. However, the funding derived from the in-lieu fee for affordable housing could be used for construction of new residential units. The three units every other year that could be constructed with in-lieu funding are therefore an indirect consequence of the approval of the IHO.

The construction and operation of the three residential units every other year that could be funded by the proposed project is not expected to result in a substantial increase in risk of release of any hazardous substance. This is because development of this magnitude and type does not ordinarily result in the transportation, storage, use, and disposal of substantial amounts of hazardous materials, present a substantial risk of explosion or create a substantial health hazard. The small amounts of domestic hazardous materials that would be generated by funded development, such as left over old paint, used automotive fluids including oils, and electronic goods (including batteries) may not, according to existing law, be disposed of in the regular waste stream. The City and various organizations have in place a program to collect and dispose of these materials either by recycling them or by disposing of them at an appropriately licensed landfill facility. Due to the small amount of hazardous waste that would be generated by three residential units every other year or 30 units over 20 years, the minimal hazard generated by residential development, and the existence of environmentally acceptable means of disposing of these wastes, project impacts associated with the funded development would be *less than significant*. Residents of proposed development should be informed of these requirements and encouraged to dispose of these wastes as already required.

Hazardous Materials Exposure and Wild Land Fire

Approval of the proposed amendment to the Inclusionary Housing Ordinance (IHO) itself would have no direct adverse impacts on the environment because it is a change in the requirements for fee exactions when projects including from two to nine units are approved. However, the funding derived from the in-lieu fee for affordable housing could be used for construction of new residential units. The three units every other year that could be constructed with in-lieu funding are therefore an indirect consequence of the approval of the IHO.

It is not known at this time where development that would be funded by the IHO in-lieu fee would be located. When the location of the development is known review would be conducted. The review would include a review of known hazardous materials site lists and other risks to public safety, including wild land fire hazard that exist on the project site. Funded development is unlikely to occur in the hillside portions of the city that include Extreme Wild Land Fire Hazard because these are predominantly single family zones that are relatively expensive to acquire and, by contrast, proposed housing would be affordable to lower income groups and would of necessity cost less to produce. The City of Santa Barbara already has procedures in place to ensure that residential development does not occur on contaminated sites unless they have been remediated to levels suitable for residential development. Also development in high fire hazard areas is already required to be constructed of materials resistant to fire. Construction in the high fire hazard areas is required to comply with the California Building Code wild fire construction requirements that involve use of non-

flammable exterior construction materials and the provisions of the City Wildland Fire Plan that require vegetation management and use of appropriate plant materials within close proximity to structures. Projects funded by the in-lieu fee could have a *potentially significant, mitigable* impact due to wild land fire hazard if in the unlikely event it is located where the hazard occurs or in areas where soil or groundwater is contaminated. However, these impacts would be reduced to less than significant by following the requirements of site specific environmental review and standard conditions of approval.

Hazards – Mitigation

Hazards- When construction is proposed federal, state, and local regulations pertaining to hazardous material and conditions of approval designed to minimize hazardous materials impacts would be applied to the project.

Hazards – Residual Impacts

Less than significant.

7. NOISE Could the project result in:		**NO**	**YES** *Level of Significance*
a)	Increases in existing noise levels?		Potentially Significant, Mitigable
b)	Exposure of people to severe noise levels?		Potentially Significant, Mitigable

Noise - Discussion

Issues: Noise issues are associated with siting of a new noise-sensitive land use in an area subject to high ambient background noise levels, siting of a noise-generating land use next to existing noise-sensitive land uses, and/or short-term construction-related noise.

The primary source of ambient noise in the City is vehicle traffic noise. The City Master Environmental Assessment (MEA) *Noise Contour Map* identifies average ambient noise levels within the City.

Ambient noise levels are determined as averaged 24-hour weighted levels, using the Day-Night Noise Level (L_{dn}) or Community Noise Equivalence Level (CNEL) measurement scales. The L_{dn} averages the varying sound levels occurring over the 24-hour day and gives a 10 decibel penalty to noises occurring between the hours of 10:00 p.m. and 7:00 a.m. to take into account the greater annoyance of intrusive noise levels during nighttime hours. Since L_{dn} is a 24-hour average noise level, an area could have sporadic loud noise levels above 60 dB(A) which average out over the 24-hour period. CNEL is similar to L_{dn} but includes a separate 5 dB(A) penalty for noise occurring between the hours of 7:00 p.m. and 10:00 p.m. CNEL and L_{dn} values usually agree with one another within 1 dB(A). The Equivalent Noise Level (L_{eq}) is a single noise level, which, if held constant during the measurement time period, would represent the same total energy as a fluctuating noise. L_{eq} values are commonly expressed for periods of one hour, but longer or shorter time periods may be specified. In general, a change in noise level of less than three decibels is not audible. A doubling of the distance from a noise source will generally equate to a change in decibel level of six decibels.

Guidance for appropriate long-term background noise levels for various land uses are established in the City General Plan Noise Element Land Use Compatibility Guidelines. Building codes also establish maximum average ambient noise levels for the interiors of structures.

High construction noise levels occur with the use of heavy equipment such as scrapers, rollers, graders, trenchers and large trucks for demolition, grading, and construction. Equipment noise levels can vary substantially through a construction period, and depend on the type of equipment, number of pieces operating, and equipment maintenance. Construction equipment generates noise levels of more than 80 or 90 dB(A) at a distance of 50 feet, and the shorter impulsive noises from other construction equipment (such as pile drivers and drills) can be even higher, up to and exceeding 100 dB(A). Noise during construction is generally intermittent and sporadic, and after completion of the initial demolition, grading and site preparation activities, tends to be quieter.

The Noise Ordinance (Chapter 9.16 of the Santa Barbara Municipal Code) governs short-term or periodic noise, such as construction noise, operation of motorized equipment or amplified sound, or other sources of nuisance noise. The ordinance establishes limitations on hours of construction and motorized equipment operations, and provides criteria for defining nuisance noise in general.

Impact Evaluation Guidelines: A significant noise impact may result from:

- Siting of a project such that persons would be subject to long-term ambient noise levels in excess of Noise Element land use compatibility guidelines for residential development that is normally acceptable maximum exterior ambient noise level of 60 dB(A); maximum interior noise level of 45 dB(A).
- Substantial noise from grading and construction activity in close proximity to noise-sensitive receptors for an extensive duration.

Noise – Project Impacts

7.a-b) Increased Noise Level and Exposure to High Noise Levels

Long-Term Operational Noise:

Approval of the proposed amendment to the Inclusionary Housing Ordinance (IHO) itself would have no direct adverse impacts on the environment because it is a change in the requirements for fee exactions when projects including from two to nine units are approved. However, the funding derived from the in-lieu fee for affordable housing could be used for construction of new residential units. The three units every other year that could be constructed with in-lieu funding are therefore an indirect consequence of the approval of the IHO.

It is not known at this time where development that would be funded by the IHO in-lieu fee would be located. When the location of the development is known review would be conducted. The environmental review would include a review of MEA noise contours that indicate the likely noise levels in various areas of the City. If the noise levels exceed a level of 60 dB(A) a noise study would be required to ensure that the project design provides usable outdoor areas that are below the recommended noise level using building placement/orientation, and/or sound walls. Construction techniques can be used to achieve interior noise levels of 45 dB(A) and below. Standard conditions of approval required during discretionary review would ensure that *potentially significant, mitigable* noise levels at funded development locations meet City requirements and would therefore be reduced to a less than significant level.

Residential development on the order of three residential units every other year and up to 30 units over 20 years is unlikely to result in the generation of substantial increases in noise because of the nature of the development (residential) and the small increment in increased development. Traffic generated indirectly by the proposed project would likely add an imperceptible increase in noise to City streets because of the small increment in traffic generated by the project. Therefore, project noise generation impacts would be *less than significant.*

Temporary Construction Noise:

As indicated above the IHO amendment would not have any direct impacts because it results in funding only. The IHO amendment could indirectly result in the funding for construction of three residential units every other year. Construction of these units would occur periodically at different locations within the City and would temporarily substantially increase noise levels during some portions of the construction period. It is not known if construction would occur in close proximity to sensitive receptors. Review required to evaluate the proposed development would ensure that any temporary *potentially significant, mitigable* impacts would be reduced to less than significant levels. The City also requires in standard conditions of approval that construction equipment be properly equipped, operated during times when noise is least disruptive, and notice be provided to adjacent landowners when construction is scheduled. The city can also require use of noise shields during construction and staging away from sensitive receptors further to reduce noise levels at adjacent sensitive uses. Typically, when no sensitive resources are in close proximity construction of three residential units would result in less than significant noise levels because it is temporary, occurs within the working day and only intermittently causes louder noise events.

Noise – Mitigation

Noise- When construction is proposed, California Building Code, Noise element policies, City Noise Ordinance requirements, and conditions of approval would be applied to the project to minimize noise impacts.

Noise – Residual Impact

Less than significant.

8. POPULATION AND HOUSING Could the project:		NO	YES Level of Significance
a)	Induce substantial growth in an area either directly or indirectly (e.g. through projects in an undeveloped area or extension of major infrastructure)?		Less than significant
b)	Displace existing housing, especially affordable housing?		Less than significant

Population and Housing - Discussion

Impact Evaluation Guidelines: Issues of potentially significant population and housing impacts may involve:

- Growth inducement, such as provision of substantial population or employment growth or creation of substantial housing demand; development in an undeveloped area, or extension/ expansion of major infrastructure that could support additional future growth.
- Loss of a substantial number of housing units, especially loss of more affordable housing.

Population and Housing – Project Impacts

8.a) Growth-Inducing Impacts

As indicated above the IHO amendment would not have any direct impacts because it results in collection of fees only. The IHO amendment could indirectly result in the funding for construction of three affordable residential units every other year. Over a twenty year period the project could fund construction or acquisition of up to 30 affordable housing units. Construction of these units would occur periodically at different locations within the City but would likely occur where infrastructure already exists. Therefore, infrastructure would not likely need to be extended due to project funded development.

The City of Santa Barbara had just over 37,000 housing units in 2000. Over a twenty year period the project could fund up to 30 affordable housing units or a less than 0.1% increase over the number of units in the City in 2000. The project would not involve a substantial increase in major public facilities such as extension of water or sewer lines or roads that would facilitate other growth in the area because construction would occur in an already developed urban area. The project would not involve substantial employment growth that would increase population and housing demand because it would provide a small amount of affordable housing. Growth-inducing impacts would be *less than significant*.

8.b) Housing Displacement

The project may indirectly involve minimal housing displacement if new housing funded by IHO in-lieu fees would be constructed where existing housing exists. Project funding would, over a 20 year period, result in the construction of an estimated 30 new units and would likely replace less units since it would not make economic sense to demolish serviceable existing housing and replace it unless considerably more units would be developed. Therefore, it is estimated that over a 20 year period up to approximately 15 old units could be displaced by new housing. There would be more housing after in-lieu funds are expended and less than 0.05% of existing housing would have been demolished to make way for the additional housing. A *less than significant impact* would result from the project because of the small amount of housing that would be displaced and more affordable housing would be provided for any other housing that may be displaced.

Population and Housing - Mitigation

None necessary.

Population and Housing – Residual Impact

Less than significant

9. PUBLIC SERVICES		NO	YES
	Could the project have an effect upon, or result in a need for new or altered services in any of the following areas:		*Level of Significance*
a)	Fire protection?		Less than Significant
b)	Police protection?		Less than Significant
c)	Schools?		Less than Significant
d)	Maintenance of public facilities, including roads?		Less than Significant
e)	Other governmental services?		Less than Significant
f)	Electrical power or natural gas?		Less than Significant
g)	Water treatment or distribution facilities?		Less than Significant
h)	Sewer or septic tanks?		Less than Significant
i)	Water distribution/demand?		Less than Significant
j)	Solid waste disposal?		Less than Significant

Public Services - Discussion

Issues: This section evaluates project effects on fire and police protection services, schools, road maintenance and other governmental services, utilities, including electric and natural gas, water and sewer service, and solid waste disposal.

Impact Evaluation Guidelines: The following may be identified as significant public services and facilities impacts:

- Creation of a substantial need for increased police department, fire department, road maintenance, or government services staff or equipment.
- Generation of substantial numbers of students exceeding public school capacity where schools have been designated as overcrowded.
- Inadequate water, sewage disposal, or utility facilities.
- Project generates 196 or more tons per year of solid waste after reduction and recycling efforts.
- Project generates more than 350 tons of construction waste

Public Services – Existing Conditions and Project Impacts

9a-b,d-g. Facilities and Services

Potential project sites are located in an urban area where all public services are available. The City prepared a General Plan Update: 2030 Condition, Trends, and Issues (CTI) Report (September 2005) that examined existing conditions associated with fire protection, police protection, library services, public facilities, governmental facilities, electrical power, and natural gas. The CTI Report specifically analyzed whether there were deficiencies existing or anticipated for each of the public services. The CTI report determined that police and fire protection services, and library services are being provided at acceptable levels to the City. In addition, the CTI Report determined that electricity, natural gas, telephone, and cable telecommunication services are being provided at acceptable service levels and utility companies did not identify any deficiencies in providing service in the future. Finally, the CTI Report determined that demand for City buildings and facilities will continue to be affected by growth, although no appropriate/acceptable levels of service have been established.

As indicated above the IHO amendment would not have any direct impacts because it results in funding only. The IHO amendment could indirectly result in the funding for construction of three residential units every other year. It is expected that the new affordable units would be constructed in and around the downtown core and along upper State Street where urban development has already occurred and urban services are already available. The IHO funded units would be served with connections to existing public services for gas, electricity, cable, and telephone, as well as access to existing roads. The project is not anticipated to create a substantially different demand on fire or police protection services, library services, or City buildings and facilities than that anticipated in the CTI Report. Therefore, impacts to fire protection,

police protection, library services, City buildings and facilities, electrical power, natural gas, telephone, and cable telecommunication services would be *less than significant.*

9.c) Schools

The IHO amendment would not have any direct impacts because it results in funding only. The project site is served by the Santa Barbara Elementary and High School Districts for elementary and high school and Hope School District for elementary school. The project would indirectly provide an increase of three residential units, every other year (or 30 units over 20 years) that could generate additional school age children that may attend local schools.

The project could also result in a minor increase in area employees. It would be expected that some of the added employees would already reside in the area. Some portion of new employees may in-migrate or utilize local schools.

None of the school districts on the South Coast have been designated "overcrowded" as defined by California State law. School impact fees would be applied to the developments constructed in accordance with State law. The project would not generate sufficient students to substantially impact school enrollment. School District Fees are also already required for new residential development to offset the cost to the school district of providing additional infrastructure to accommodate new students generated by the development. Therefore, project impacts to schools would be *less than significant.*

9.g,h,i) Water and Sewer

Water

The City of Santa Barbara's water supply comes from the following sources, with the actual share of each determined by availability and level of customer demand: Cachuma Reservoir and Tecolote Tunnel, Gibraltar Reservoir and Mission Tunnel, 300 Acre Feet per Year (AFY) of contractual transfer from Montecito Water district, groundwater, State Water Project entitlement, desalination, and recycled water. Conservation and efficiency improvements are projected to contribute to the supply by displacing demand that would otherwise have to be supplied by additional sources. In 1994, based on the comprehensive review of the City's water supply in the Long Term Water Supply Alternatives Analysis (LTWSAA), the City Council approved the Long Term Water Supply Program (LTWSP). The LTWSP outlines a strategy to use the above sources to meet the projected demand of 17,900 AFY (including 1,500 AFY of demand projected to be met with conservation) plus a 10 percent safety margin for a total of 19,700 AFY. Therefore, the target for the amount of water the system will actually have to supply, including the safety margin, is 18,200 AFY. The 2003 Water Supply Management Report documents an actual system demand of 13,460 AFY and a theoretical commitment of 16,170 AFY. Of the total system production, 95% was potable water and 5% was reclaimed water.

The General Plan Update: 2030 Condition, Trends, and Issues Report (September 2005) examined existing conditions associated with water supply, treatment, and distribution system, and specifically analyzed and determined that there were no existing or anticipated deficiencies for the next 20-year planning period based on a growth rate of 0.7% per year.

Three IHO funded affordable units are estimated to increase water demand by 0.84 AFY (based on the City's Water Demand Factor and Conservation Study "User's Guide" Document No. 2) (Exhibit E). Therefore, the change in water use over a 20 year period from 1.52 residential units added annually (30 units) would increase by approximately 8.4 AFY. The proposed project is within the anticipated growth rate for the City and therefore, the City's long-term water supply and existing water treatment and distribution facilities would adequately serve the proposed project. The potential increase in demand from the proposed project would constitute a *less than significant* impact to the City water supply, treatment, and distribution facilities.

Sewer

The maximum capacity of the El Estero Treatment Plant is 11 million gallons per day (GPD), with current average daily flow 8.5 MGD. The Treatment Plant is designed to treat the wastewater from a population of 104,000. The funded three units every other year would result in an estimated net new sewer demand of an estimated 0.73 AFY. Therefore, the change in sewer effluent generation over a 20 year period from 1.52 residential units added annually (30 units) would increase to approximately 7.3 AFY (6,506 GPD), which would be well within the City's sewer treatment plant capacity and sewer line capacity. Increased sewage treatment associated by the project can be accommodated by the existing City sewer system and sewage treatment plant, and would represent a *less than significant* impact.

9.j) Solid Waste Generation/ Disposal

Most of the waste generated in the City is transported on a daily basis to seven landfills located around the County. The County of Santa Barbara, which operates the landfills, has developed impact significance thresholds related to the impacts of development on remaining landfill capacity. The County thresholds are based on the projected average solid waste

generation for Santa Barbara County from 1990-2005. The County assumes a 1.2% annual increase (approximately 4000 tons per year) in solid waste generation over the 15-year period.

The County's threshold for project specific impacts to the solid waste system is 196 tons per year (this figure represents 5% of the expected average annual increase in solid waste generation [4000 tons/year]). Source reduction, recycling, and composting can reduce a project's waste stream by as much as 50%. If a proposed project generates 196 or more tons per year after reduction and recycling efforts, impacts would be considered significant and unavoidable.

Proposed projects with a project specific impact as identified above (196 tons/year or more) would also be considered cumulatively significant, as the project specific threshold of significance is based on a cumulative growth scenario. However, as landfill space is already extremely limited, any increase in solid waste of 1% or more of the expected average annual increase in solid waste generation [4000 tons/year], which equates to 40 tons per year, is considered an adverse cumulative impact.

Long-Term (Operational). The development of three units every other year that could be funded by project in-lieu fees is estimated to generate 7.6 tons per year of solid waste, a less than significant impact. With application of source reduction, reuse, and recycling, landfill disposal of solid waste could be reduced to 3.8 TPY, a *less than significant* impact. The change in waste generation over a 20 year period from an average of 1.52 units residential units (30 units) added would increase to approximately 75.5 tons (37.8 tons per year with the current level of recycling and source reduction efforts), which would cause a *less than significant impact* on area landfill capacity.

Short-Term (Demolition and Construction). Construction-related waste generation would be short-term, subject to standard conditions of approval requiring recycling of construction waste and would result in an incremental increase given the minor increase (much less than 350 tons of construction waste) in construction that could be funded by the project. Therefore short term generation of construction waste would be *less than significant*. Application of standard conditions of approval that require projects to reduce, re-use, and recycle construction waste to the extent feasible would further reduce this effect.

Public Services - Mitigation

None necessary.

Public Services – Residual Impacts

Less than significant

10. RECREATION Could the project:		NO	YES *Level of Significance*
a)	Increase the demand for neighborhood or regional parks or other recreational facilities?		Less than significant
b)	Affect existing parks or other public recreational facilities?		Less than significant

Recreation - Discussion

Issues: Recreational issues are associated with increased demand for recreational facilities, or loss or impacts to existing recreational facilities.

Impact Evaluation Guidelines: Recreation impacts may be significant if they result in:

- Substantial increase in demand for park and recreation facilities in an area under-served by existing public park and recreation facilities.
- Substantial loss or interference with existing park space or other public recreational facilities such as hiking, cycling, or horse trails.

Recreation – Existing Conditions and Project Impacts

Currently within the City there are more than 1,800 acres of natural open space, park land and other recreational facilities. In addition, there are 28 tennis courts, 2 public outdoor swimming pools, beach volleyball courts, sport fields, lawn bowling greens, a golf course, 13 community buildings and a major skateboard facility. The City also offers a wide variety of recreational programs for people of all ages and abilities in sports, various classes, tennis, aquatics and cultural

arts.

In 2005, the City prepared a General Plan Update: 2030 Conditions, Trends, and Issues (CTI) Report (September 2005) that examined existing conditions associated with recreation and parks. Population characteristics including income, age, population growth, education and ethnicity affect recreation interests and participation levels. The National Recreation and Park Association (NRPA) have established park service area standards for various types of parks. The NRPA standards have not been adopted by the City; however, the standards do provide a useful tool for assessing park space needs. The CTI Report determined that, based on NRPA standards, there is an uneven distribution of parkland in the City, such that some areas of the City may currently be underserved with neighborhood and community parks, but overall the City has adequate passive, community, beach, regional, open space, and sports facility parks.

10.a and b) Recreational Demand and Recreational Facilities

The IHO amendment would not have any direct impacts because it results in collection of fees only. The IHO amendment fees could be used for funding of construction of three residential units every other year, at unknown locations that could generate a small increase in demand for recreation facilities. In a 20 year period project funding could result in the construction of up to 30 residential units at unknown locations in the City. Residents of these new units would need recreational facilities and would cause a small incremental need and use of recreation facilities. The City has sufficient recreation facilities to serve the needs of the small increment in residents of the new units that could be funded by the IHO in-lieu fee. Therefore, this impact would be *less than significant*.

Recreation - Mitigation

None necessary

Recreation – Residual Impacts

Less than significant

11. TRANSPORTATION/CIRCULATION Could the project result in:		NO	YES *Level of Significance*
a)	Increased vehicle trips?		Less than significant
b)	Hazards to safety from design features (e.g. sharp curves, inadequate sight distance or dangerous intersections)?		Less than significant
c)	Inadequate emergency access or access to nearby uses?		Less than significant
d)	Insufficient parking capacity on-site or off-site?		Less than significant
e)	Hazards or barriers for pedestrians or bicyclists?		Less than significant

Transportation - Discussion

Issues: Transportation issues include traffic, access, circulation, safety, and parking. Vehicle, bicycle and pedestrian, and transit modes of transportation are all considered, as well as emergency vehicle access. The City General Plan Circulation Element contains policies addressing circulation, traffic, and parking in the City.

Impact Evaluation Guidelines: A proposed project may have a significant impact on traffic/ circulation/ parking if it would:

Vehicle Traffic

- Cause an increase in traffic that is substantial in relation to the existing traffic load and street system capacity (see traffic thresholds below).
- Cause insufficiency in transit system.
- Conflict with the Congestion Management Plan (CMP) or Circulation Element or other adopted plan or policy pertaining to vehicle or transit systems.

Circulation and Traffic Safety

- Create potential hazards due to addition of traffic to a roadway that has design features (e.g., narrow width, roadside ditches, sharp curves, poor sight distance, inadequate pavement structure) or that supports uses that would be incompatible with substantial increases in traffic.
- Diminish or reduce safe pedestrian and/or bicycle circulation.
- Result in inadequate emergency access on-site or to nearby uses.

Parking

- Result in insufficient parking capacity for the projected amount of automobiles and bicycles.

Traffic Thresholds of Significance: The City uses Levels of Service (LOS) "A" through "F" to describe operating conditions at signalized intersections in terms of volume-to-capacity (V/C) ratios, with LOS A (0.50-0.60 V/C) representing free flowing conditions and LOS F (0.90+ V/C) describing conditions of substantial delay. The City General Plan Circulation Element establishes the goal for City intersections to not exceed LOS C (0.70-0.80 V/C).

For purposes of environmental assessment, LOS C at 0.77 V/C is the threshold Level of Service against which impacts are measured. An intersection is considered "impacted" if the volume to capacity ratio is .77 V/C or greater.

Project-Specific Significant Impact: A project-specific significant impact results when:

(a) Project peak-hour traffic would cause a signalized intersection to exceed 0.77 V/C, or

(b) The V/C of an intersection already exceeding 0.77 V/C would be increased by 0.01 (1%) or more as a result of project peak-hour traffic.

For non-signalized intersections, delay-time methodology is utilized in evaluating impacts.

Significant Cumulative Contribution: A project would result in a significant contribution to cumulative traffic impacts when:

(a) Project peak-hour traffic together with other cumulative traffic from existing and reasonably foreseeable pending projects would cause an intersection to exceed 0.77 V/C, or

(b) Project would contribute traffic to an intersection already exceeding 0.77 V/C.

Transportation – Project Impacts

11.a) Traffic

Long-Term Traffic

The IHO amendment would not have any direct impacts because it results in funding only. The IHO amendment could indirectly result in the funding for construction of three residential units every other year. The assumed three residential units every other year would generate 18 Average Daily Trips (ADT) and one new trip in the morning and two in the evening peak hours. Typically, the city does not anticipate a significant traffic impact unless the project would cause a minimum of five trips in the morning or evening peak hour. This is because it is not possible to predict with sufficient certainty that the project trips would occur at the intersection under consideration. Therefore, the three units would have a *less than significant* traffic impact.

The estimated 30 additional residential units that would be constructed over a twenty year period with IHO funding would generate net traffic increase of 176 average daily trips (ADT) with 13 morning and 16 evening peak-hour trips. It is not known where the 30 residential units may be located and it is unlikely they would all be in the same location. The City Housing Programs staff who would be recommending use of the collected in-lieu fee money stated that historically they have used available housing funds as soon as possible after the funds become available, and that they do not foresee accumulating in-lieu fees for more than 2 years before using them to assist new units. They anticipate that they will be funding 3 new affordable units every 2 years using in-lieu fee funds. Housing Programs staff also stated that the housing projects assisted to date have been widely distributed throughout the R-3 and R-4 zoned areas of the City and they expect that trend to continue. Since the location of future assisted housing projects is not known the project traffic is too speculative and cannot be meaningfully distributed onto the City street system. As indicated in the environmental setting section at the beginning of this Initial Study there are several intersections in the City that have Levels of Service exceeding 0.77 volume to capacity (V/C) ratio during peak hours of the weekday morning and evening commutes (7-9 a.m. and 4-6 p.m.).. These intersections occur primarily in the vicinity of Highway 101. Because the in-lieu fees will most likely be spent within 2 years of receipt, it is highly unlikely that a single development would be funded by the in-lieu fee

that would route more than five peak hour trips to an already impacted intersection. Development using IHO in-lieu fees that would occur over 20 years would therefore result in a *less than significant* traffic impact.

Short-Term Construction Traffic

The overall duration of the project construction process is unknown but would likely be up to a year in each year in different locations in the City. Construction may include grading for site preparation but would be limited due to the small increment of development that would be funded. Working hours during the construction process would be as specified by the City of Santa Barbara construction hours. The location of staging, equipment, materials storage, and temporary construction parking is unknown. The amount of required staging, equipment, materials storage, and parking would be limited due to the small increment in development anticipated due to project in-lieu funding.

The project would generate construction-related traffic that would occur intermittently at various locations in the City. Temporary construction traffic is generally considered an adverse but less than significant impact. In this case, given the small increment in development, varying location, and the periodic brief duration of the construction process, short-term construction-related traffic would be a *less than significant* impact. Standard mitigation measures would be applied as appropriate, including restrictions on the hours permitted for construction trips and approval of routes for construction traffic when project are proposed and locations are known.

11.b,c, d, and e) Access/ Circulation/ Safety/Parking

Vehicular, pedestrian, bicycle, disabled, and emergency access would be addressed when the location and configuration of housing constructed using IHO in-lieu funding is known. Since a discretionary review would be required these design considerations can be addressed in future required reviews. Also, there is only a small increment in development that would occur using project financing. Regulations and policies are already in place that requires that access be adequate. These regulations are contained in the City Zoning Ordinance that regulates obstructions around driveways, Since future reviews would ensure that access is adequate and safe, parking is sufficient and hazards to pedestrians and cyclists are avoided project impacts on access and safety would be *less than significant.*.

City standards in the zoning code already require that parking be provided that is adequate for project needs. In addition review of project designs when proposed would trigger additional CEQA review that would ensure that parking is adequate. There is only a small increment in development that would occur using project financing. Since parking would be subject to future review for consistency with the City of Santa Barbara, Standards for Parking Design and the zoning ordinance parking requirements, parking impacts would be less than significant.

Transportation – Mitigation

None necessary.

Transportation – Residual Impact

Less than significant.

12. WATER ENVIRONMENT Could the project result in:		**NO**	**YES** *Level of Significance*
a)	Changes in absorption rates, drainage patterns, or the rate and amount of surface runoff?		Potentially significant, mitigable
b)	Exposure of people or property to water related hazards such as flooding?		Potentially significant, mitigable
c)	Discharge into surface waters?		Less than significant
d)	Change in the quantity, quality, direction or rate of flow of ground waters?		Less than significant
e)	Increased storm water drainage?		Potentially significant, mitigable

Water – Discussion

Issues: Water resources issues include changes in offsite drainage and infiltration/groundwater recharge; storm water runoff and flooding; and water quality.

Impact Evaluation Guidelines: A significant impact would result from:

Water Resources and Drainage

- Substantially changing the amount of surface water in any water body or the quantity of groundwater recharge.
- Substantially changing the drainage pattern or creating a substantially increased amount or rate of surface water runoff that would exceed the capacity of existing or planned drainage and storm water systems.

Flooding

- Locating development within 100-year flood hazard areas; substantially altering the course or flow of flood waters or otherwise exposing people or property to substantial flood hazard

Water Quality

- Substantial discharge of sediment or pollutants into surface water or groundwater, or otherwise degrading water quality, including temperature, dissolved oxygen, or turbidity.

Water Resources – Existing Conditions and Project Impacts

12.a, b, c, d, and e) Drainage, Flooding, and Water Quality

Approval of the proposed amendment to the Inclusionary Housing Ordinance (IHO) itself would have no direct adverse impacts on the environment because it is a change in the requirements for exactions when projects including from two to nine units are approved. However, the funding derived from the in-lieu fee for affordable housing could be used for construction of new residential units. The units that could be constructed with in-lieu funding are therefore an indirect consequence of the approval of the IHO.

The precise location of three units every other year (30 units over 20 years) that could be built after the approval of the ordinance amendment is unknown. Three units could be constructed every other year, most likely in the downtown and surrounding area and Upper State Street area, where residential densities are higher. The area where proposed development would occur is likely already developed in urban uses. Housing could be located in areas subject to flooding. The 2007 California Building Code adopted by the City already requires that the floor elevation of residential development be a minimum of one foot above the base flood elevation of the 100-year storm and that a certificate indicating that an engineer has analyzed the project effect on the base flood elevation and the project would not result in an increase in the base flood elevation.

The adopted Storm Water Pollution Prevention Plan (SWMPP) requires that projects in the City detain the first inch in rainfall on site. Since the first inch in rainfall is known to carry the most pollutants this approach substantially reduces the small increment in pollution anticipated to be associated with development of three units every other year or 30 units over 20 years. Development is also required to ensure that flow rates do not exceed the rates associated with the pre-project condition. The SWMPP recommends that runoff from projects be routed to natural areas so that water is given time to be exposed to sunlight and soils to improve the quality of the runoff. Standard conditions of approval require that projects retain the 25-year storm flows onsite. The project would result in a small increment in development in the City of Santa Barbara and given the requirements already in place that address flooding, drainage, and water quality any *potentially significant, mitigable* impacts that the project could cause would be reduced to less than significant levels.

Project indirect impacts on groundwater are expected to be *less than significant* because there is only a small increment of development that would be associated with this project, the amount of impervious surface added would be partially offset by detaining rainwater on the site where it can percolate to groundwater, excavations and construction of this type is not likely to be sufficient to affect groundwater flows, and contaminants from this amount and type of development would be insufficient to result in substantial changes in groundwater quality.

Projects funded by in-lieu fees would result in a small increment in development that would discharge flows into area drainage facilities that would eventually discharge to the ocean. The project would be required to retain any increment in flows due to the addition of impervious surfaces during the 25-year storm event. Project impacts on the ocean would be minimal and *less than significant.*

Water Resources - Mitigation

Water- When construction is proposed requirements of the Storm Water Pollution Prevention Plan, SBMC, and General Plan policies designed to minimize water resource impacts and conditions of approval would be applied to the project.

Water Resources – Residual Impact

Less than significant

MANDATORY FINDINGS OF SIGNIFICANCE.		*YES*	*NO*
a)	Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildfire population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?		X
b)	Does the project have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?		X
c)	Does the project have potential impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?		X
d)	Does the project have potential environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?		X

a: As documented in the section 3, Biology and section 4, Cultural Resources project would not have any direct impacts on biological and historic resources because the project would result in an amendment to the Inclusionary Housing Ordinance (IHO) to require payment of in-lieu fees. The project indirect impacts would not be significant, after mitigation, as described on the biology and cultural resource sections.

b: The IHO amendment would not have any direct short term environmental impacts because it results in an ordinance amendment to require payment of in-lieu fees. In-lieu fees may be used to construct a limited amount of housing (estimated to be up to 30 units over 20 years) that would provide the likely long term environmental benefit that more housing would be located in an urban area where environmental resources are limited, adequate public services/utilities and transportation already exist, and remaining environmental resources would not be impacted due partially to the limited amount of development that would be funded and partly to future review and application of standard conditions of approval.

c: There would be no direct impacts of the IHO amendment because it would result in collection of in-lieu fees. The housing that could be constructed with the fees collected would be potentially consistent with City goals and policies in the 2004 Housing Element of the City General Plan as discussed in the Plans and Policies Discussion in the Initial Study. Cumulative analyses in the various sections of the Initial Study document that projects funded by the in-lieu fees would not result in significant cumulative impacts because the project funded development is minor (30 units over 20 years) and because there is sufficient capacity in the urban area to accommodate anticipated growth.

d: As discussed in sections 1 through 12 of this Initial Study the project would not have any direct physical impacts on human beings because it is an ordinance amendment that results in the collection of in-lieu fees only. Indirect impacts due to construction of up to 3 units every two years and 30 units over 20 years with fees collected would not result in significant impacts because all impacts discussed in sections 1 through 12 would be reduced to less than significant levels during reviews when location and configuration of funded project is known and by application of existing codes, standard conditions of approval, and design review.

INITIAL STUDY CONCLUSION

On the basis of this initial evaluation it has been determined that with mitigation measures that would be developed when project location and configuration is known and with application of existing code, ordinance requirements, and standard conditions of approval, and design review, potentially significant impacts would be avoided or reduced to less than significant levels. A Mitigated Negative Declaration will be prepared.

Initial Study Preparer: _____

_____ 2/13/2009

Michael Berman, Environmental Analyst — Date

EXHIBITS:

A. **Inclusionary Housing Ordinance Amendment**
B. **Traffic LOS Tables**
C. **Mitigation Monitoring and Reporting Program**
D. **Air Quality Data**
E. **Water, Sewer, and Waste Calculations**

LIST OF SOURCES USED IN PREPARATION OF THIS INITIAL STUDY

The following sources used in the preparation of this Initial Study are located at the Community Development Department, Planning Division, 630 Garden Street, Santa Barbara and are available for review upon request.

California Environmental Quality Act (CEQA) & CEQA Guidelines

California Building Code 2007

Plan Santa Barbara Development Trends Report 1990-2007 (March 2008)

General Plan Circulation Element

General Plan Conservation Element

2004 Housing Element

General Plan Land Use Element

General Plan Noise Element w/appendices

General Plan Map

General Plan Seismic Safety/Safety Element

Geology Assessment for the City of Santa Barbara

Institute of Traffic Engineers Parking Generation Manual

Institute of Traffic Engineers Trip Generation Manual

Local Coastal Plan

Master Environmental Assessment

Parking Design Standards

Storm Water Pollution Prevention Plan

Santa Barbara County Environmental Threshold and Guidelines Manual (Published October 2008)

Santa Barbara Municipal Code & City Charter